

"The publication of an ill-digested, unconsidered criticism like this, particularly when offered with all the pretense of careful analysis, necessarily does the cause of truth in a measure so important no end of harm. The United States News alone has had the grace to acknowledge the error." (Washington News, June 5, 1939.)

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The Presiding Officer (Mr. THOMAS of Oklahoma in the Chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of several second lieutenants of the Officers' Reserve Corps to be second lieutenants in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate took a recess until Monday, July 17, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 14 (legislative day of July 10), 1939

UNITED STATES CIRCUIT JUDGE

Charles Alvin Jones, of Pennsylvania, to be judge of the United States Circuit Court of Appeals for the Third Circuit, vice J. Warren Davis, retired.

FEDERAL TRADE COMMISSIONER

Ewin Lamar Davis, of Tennessee, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1939. (Reappointment.)

NATIONAL RESOURCES PLANNING BOARD

Charles W. Eliot, of Massachusetts, to be Director of the National Resources Planning Board.

The following-named persons to be members of the National Resources Planning Board:

Frederic A. Delano, of New York.

Charles E. Merriam, of Illinois.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

MARINE CORPS

The following-named captains to be majors in the Marine Corps from the 1st day of July 1939:

Ralph E. Forsyth

William J. Scheyer

Lawrence T. Burke

Thomas J. Walker, Jr.

Charles W. Kail

The following-named first lieutenants to be captains in the Marine Corps from the 1st day of July 1939:

William K. Pottinger

George N. Carroll

Paul E. Wallace

Marshall A. Tyler

Wilbur J. McNenny

Joslyn R. Bailey

Donald W. Fuller

Second Lt. David W. Stonecliffe to be a first lieutenant in the Marine Corps from the 1st day of July 1939.

The following-named citizens to be second lieutenants in the Marine Corps from the 1st day of July 1939:

Fred T. Bishopp, a citizen of Maryland.

Robert F. Jenkins, Jr., a citizen of Pennsylvania.

Benjamin B. Manchester, III, a citizen of Rhode Island.

Albert W. Moffett, a citizen of Kentucky.

Thomas V. Murto, Jr., a citizen of Pennsylvania.

Robert Philip, a citizen of South Dakota.

John W. Stevens, II, a citizen of Maryland.

Edwin J. St. Peter, a citizen of Pennsylvania.

James Taul, a citizen of Kentucky.

Waite W. Worden, a citizen of New Jersey.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 14 (legislative day of July 10), 1939

POSTMASTERS

ARIZONA

Caleb O. Rice, Douglas.

MISSOURI

Mary T. Barnes, Pilot Grove.

Walter T. May, Smithton.

Edward J. Fry, Stover.

NEBRASKA

John F. Lewis, Arnold.

Albert J. Nacke, Hebron.

Fred L. Orr, Lyons.

Louis R. Vejraska, Odell.

Irene E. Hines, St. Columbans.

Hulda M. Hallock, Springview.

Frederika W. Weber, Wahoo.

NEW YORK

Paul J. Grueninger, Valhalla.

NORTH CAROLINA

William Bryan Booe, Winston-Salem.

OKLAHOMA

Bradford M. Risinger, Sand Springs.

WASHINGTON

Wilbur B. Stonex, Onalaska.

WYOMING

George J. Snyder, Glendo.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 14, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Lord and our God, who art the Spirit Infinite and Eternal, we bless Thee for the preservation of our lives, for the sanctity of our homes, and for the stability of our Republic. With a conscious realization of our dependence on Thee, we pray for wisdom and understanding to guide us in the way of truth and for strength to resist that which is wrong. It is written:

Not every one that saith unto Me Lord, Lord, shall enter into the kingdom of heaven, but he that doeth the will of My Father which is in heaven.

May our labors be wise and leave us sweet. Make our hearts temples of virtue with thrones of whiteness. In the name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1878. An act to provide for the distribution of the judgment fund of the Shoshone Tribe of the Wind River Reservation in Wyoming, and for other purposes; and

S. 2662. An act authorizing the Secretary of the Treasury to convey an easement in certain lands to the city of New York, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6635. An act to amend the Social Security Act, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARRISON, Mr. KING, Mr. GEORGE, Mr. LA FOLLETTE, and Mr. CAPPER to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of "hot oil" and interstate oil-compact legislation, and to include therein a letter addressed to me by Secretary of the Interior Ickes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Commonwealth.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement of August A. Busch, Jr., before the Labor Committee this morning.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement from the International Chamber of Commerce, a copy of a letter from the Secretary of State to the International Chamber of Commerce, and a short statement by Frederick W. Nichol, published in the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program today and following the special orders heretofore entered I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMENDMENT OF THE WAGE-HOUR ACT

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, insofar as I have been able to learn, not a single Member of this House nor a single member of the Committee on Labor has voiced objection to the provision which was carried in the proposed amend-

ments to the Wage-Hour Act which would afford relief to the small telephone exchanges throughout the country. The report filed by the Committee on Labor expressly states that—

Small telephone companies on the whole are unable financially to comply with the wage provisions of the act.

The committee further states in its report that—

The exemption for the operators of some small telephone exchanges is necessary to insure uninterrupted telephone communication service for the farmer and for the small rural community.

Despite this general sentiment in the Labor Committee and among members of the House, relief for small telephone exchanges is permitted to languish only because the item which would provide such relief is associated in the same bill with other items which are controversial. We are on the threshold of adjournment. It is a sad commentary upon legislative procedure that such a situation should exist. I cannot escape the conviction that the Labor Committee will be regarded as derelict in its duty if it fails to report a measure which will afford relief for such small telephone exchanges, quite aside from whatever action it may deem necessary, wise, or expedient with respect to other provisions in the bill which it sought to bring before the House through a suspension of the rules.

EXTENSION OF REMARKS

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech made by Hon. Richard T. James, deputy secretary of state, at the sixteenth annual pilgrimage of the Boonville Press Club to the grave of Nancy Hanks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FREE HARLAN COUNTY

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the morning papers carry the information that John L. Lewis requested that Attorney General Murphy send, and Murphy has sent, into Harlan County agents of the Federal Government to ascertain whether citizens of Harlan were deprived of their civil liberties.

None in this House may greatly admire me, but none can truthfully charge that I ever intentionally deceived you. Monday and Tuesday of this week I spent in Harlan County, Ky., and on my responsibility as a Member of the House, I state that, if appearances and statements made to me by miners as well as by operators and owners are any criterion of the feeling in Harlan County, the workers of that county want none of John L. Lewis' United Mine Workers. It is their overwhelming desire that they be left alone to solve their industrial problems.

No one can successfully contradict the statement that, for months, Lewis and his United Mine Workers by force and by violence, and the National Labor Relations Board by intimidation, have attempted unsuccessfully to force the miners of Harlan County into Lewis' organization.

There are hundreds of instances where Lewis' agents, his "flying squadrons," spurred on by William Turnblazer of Tennessee, and George Titler, have deprived citizens of Harlan of their civil liberties, of their right to work.

Lewis and Murphy, when Governor, dovetailing their activities, the National Labor Relations Board sitting idly by, deprived thousands of Michigan citizens of their civil liberties. Is Murphy again going to the rescue of Lewis in Harlan County? Does he intend now to use the power of the Federal Government, as before he used the power of the State of Michigan, to deprive citizens of their constitutional rights? Is he now sending agents of the Department of Justice down

into Harlan County to aid Lewis in his campaign of intimidation?

The record showing that Lewis has deprived citizens of Harlan of their civil liberties is uncontradictable. Let Murphy exert the power of the Federal Government to protect law-abiding citizens whose only desire is to support themselves by honest toil, rather than lend a show of that power at Lewis' suggestion to force free-born Americans into Lewis' organization.

Let Murphy and the National Labor Relations Board act to preserve constitutional rights, rather than as the puppets of John L. Lewis.

PERMISSION TO ADDRESS THE HOUSE

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. THORKELSON addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein excerpts from two letters which substantiate statements I have made here in the past.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include therein two brief tributes to the Mount Rushmore Memorial.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. SPRINGER asked and was given permission to extend his own remarks in the RECORD.

THE PERIL OF MONOPOLY—BY THEODORE ROOSEVELT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we will soon vote on the conference report on the Tennessee Valley Authority bill. I wish to call to the attention of the House, and especially to the Republican Members, a statement made by Theodore Roosevelt in a message to Congress a generation ago, warning the American people that one of the greatest questions now before them or that would be before them for the next generation was the power monopoly, and also warning them not to let the hydroelectric power of this country get away from them. In that message he said:

The people of the country are threatened by a monopoly far more powerful, because in far closer touch with our domestic and industrial life, than anything known to our experience.

A single generation will see the exhaustion of our natural resources of oil and gas, and such a rise in the price of coal as will make the price of electrically transmitted waterpower a controlling factor in transportation, in manufacturing, and in household lighting and heating. Our waterpower alone, if fully developed and wisely used, is probably sufficient for our present transportation, industrial, municipal, and domestic needs. Most of it is undeveloped and is still in National or State control.

To give this away—one of the greatest of our resources—without recompense, would be an act of folly. If we are guilty of this, our children will be forced to pay an annual return upon a capitalization based upon the highest prices which "the traffic will bear." They will find themselves face to face with powerful interests entrenched behind the doctrine of vested rights, and strengthened by every defense which money can buy and the ingenuity of capable corporation lawyers can devise.

Long before that time they may, and very probably will, have become a consolidated interest controlled from the great financial centers, dictating the terms upon which the citizen can conduct his business or earn his livelihood, and not be amenable to the wholesome check of local opinion.

That prophecy has been fulfilled. We are now engaged in the battle of the century to wrest the American people

from the clutches of this vast monopoly known as the Power Trust and to save the waterpower of this Nation for the American people through the T. V. A. and other similar developments.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include the short extract from the statement by Theodore Roosevelt, a former Republican President of the United States, to which I have referred.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AMENDMENTS TO TENNESSEE VALLEY AUTHORITY ACT OF 1933— CONFERENCE REPORT

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933.

The SPEAKER. The Clerk will report the title of the bill.

Mr. RANKIN. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Will the gentleman withhold that a moment until the report is read?

Mr. RANKIN. Yes; I withhold it, Mr. Speaker.

Mr. MAY. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is the gentleman from Mississippi [Mr. RANKIN] willing to withhold his point of order until the statement is read?

Mr. RANKIN. Yes; I withhold the point of order until the statement is read.

Mr. Speaker, on reflection I think the membership ought to be here to hear this statement, and I insist on the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and twelve Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 128]

Andrews	Dies	Johnson, Lyndon	Rockefeller
Ball	Dingell	Kee	Sandager
Bolton	Douglas	Keefe	Schwert
Bradley, Mich.	Eaton, Calif.	Kelly	Shafer, Mich.
Brewster	Eaton, N. J.	Kirwan	Shannon
Buckley, N. Y.	Edmiston	Larrabee	Smith, Ill.
Byrne, N. Y.	Evans	Leavy	Smith, Maine
Byron	Fay	McLean	Smith, Ohio
Cartwright	Ferguson	McMillan, Thos. S.	Somers, N. Y.
Casey, Mass.	Fernandez	Maas	Starnes, Ala.
Chandler	Fish	Maclejewski	Summers, Tex.
Claypool	Fitzpatrick	Magnuson	Thomas, N. J.
Claude	Flannery	Merritt	Vincent, Ky.
Coffee, Wash.	Grant, Ala.	Mitchell	Voorhis, Calif.
Connery	Grant, Ind.	Norton	West
Crowe	Hancock	O'Toole	White, Idaho
Crowther	Hare	Pierce, N. Y.	Williams, Del.
Cummings	Harrington	Ramspeck	Wood
Curley	Hartley	Richards	
Delaney	Jeffries	Risk	

The SPEAKER. On this roll call 350 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. LEA. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have permission to sit during sessions of the House today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VINSON of Georgia rose.

The SPEAKER. The order of business is the reading of the statement.

Does the gentleman from Kentucky yield to the gentleman from Georgia?

Mr. MAY. Yes, Mr. Speaker.

THE LATE ENSIGN JOSEPH HESTER PATTERSON, UNITED STATES NAVY
Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R.

7C52) to provide a posthumous advancement in grade for the late Ensign Joseph Hester Patterson, United States Navy, which I send to the Clerk's desk.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is hereby authorized to issue posthumously to the late Ensign Joseph Hester Patterson, United States Navy, a commission as a Lieutenant (junior grade) of the Navy with the date of rank as of June 4, 1939.

Mr. VINSON of Georgia. Mr. Speaker, this ensign went down when the submarine *Squalus* was sunk. He had made his grade and had he lived to June 4 he would have received a promotion to lieutenant. The purpose of this bill is to permit the Secretary of the Navy to issue a posthumous promotion, so that he may be buried, when the *Squalus* is raised, in the uniform of that rank.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

AMENDMENTS TO TENNESSEE VALLEY AUTHORITY ACT OF 1933— CONFERENCE REPORT

The SPEAKER. The Clerk will read the statement.
The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Tennessee Valley Authority Act of 1933, as amended, is amended by adding after section 15a the following new sections:

"Sec. 15b. No bonds shall be issued by the Corporation after the date of enactment of this section under section 15 or section 15a.

"Sec. 15c. With the approval of the Secretary of the Treasury the Corporation is authorized, after the date of enactment of this section, to issue bonds not to exceed in the aggregate \$61,500,000. Such bonds may be sold by the Corporation to obtain funds which may be used for the following purposes only:

"(1) Not to exceed \$46,000,000 may be used for the purchase of electric utility properties of the Tennessee Electric Power Company and Southern Tennessee Power Company, as contemplated in the contract between the Corporation and the Commonwealth and Southern Corporation and others, dated as of May 12, 1939.

"(2) Not to exceed \$6,500,000 may be used for the purchase and rehabilitation of electric utility properties of the Alabama Power Company and Mississippi Power Company in the following named counties in northern Alabama and northern Mississippi: The counties of Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, De Kalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar in northern Alabama, and the counties of Calhoun, Chickasaw, Monroe, Clay, Lowndes, Oktibbeha, Choctaw, Webster, Noxubee, Winston, Neshoba, and Kemper in northern Mississippi.

"(3) Not to exceed \$3,500,000 may be used for rebuilding, replacing, and repairing electric utility properties purchased by the Corporation in accordance with the foregoing provisions of this section.

"(4) Not to exceed \$3,500,000 may be used for constructing electric transmission lines, substations, and other electrical facilities necessary to connect the electric utility properties purchased by the Corporation in accordance with the foregoing provisions of this section with the electric power system of the Corporation.

"(5) Not to exceed \$2,000,000 may be used for making loans under section 12a to States, counties, municipalities, and non-profit organizations to enable them to purchase any electric utility properties referred to in the contract between the Corporation and the Commonwealth and Southern Corporation and others, dated as of May 12, 1939, or any electric utility properties of the Alabama Power Company or Mississippi Power Company in any of the counties in northern Alabama or northern Mississippi named in paragraph (2).

"The Corporation shall file with the President and with the Congress in December of each year a financial statement and complete report as to the expenditure of funds derived from the sale of bonds under this section covering the period not covered by any such previous statement or report. Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ per centum per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount,

and sold at such prices, as may be prescribed by the Corporation with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ per centum per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. None of the proceeds of the bonds shall be used for the performance of any proposed contract negotiated by the Corporation under the authority of section 12a of this Act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds under this section shall expire January 1, 1941, except that if at the time such authority expires the amount of bonds issued by the Corporation under this section is less than \$61,500,000, the Corporation may, subject to the foregoing provisions of this section, issue, after the expiration of such period, bonds in an amount not in excess of the amount by which the bonds so issued prior to the expiration of such period is less than \$61,500,000, for refunding purposes, or, subject to the provisions of paragraph (5) of this section (limiting the purposes for which loans under section 12a of funds derived from bond proceeds may be made) to provide funds found necessary in the performance of any contract entered into by the Corporation prior to the expiration of such period, under the authority of section 12a."

And the House agree to the same.

A. J. MAY,
EWING THOMASON,
DOW W. HARTER,

Managers on the part of the House.

E. D. SMITH,
ELMER THOMAS,
G. W. NORRIS,
CHAS. L. McNARY,
BURT WHEELER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

Amount of bonds

The Senate bill authorized the Authority to issue bonds in an aggregate amount not exceeding \$100,000,000, which amount was to include the \$3,500,000 of bonds already issued and outstanding.

The House amendment authorized the Authority to issue new bonds, in an aggregate amount not exceeding \$61,500,000, which, together with the bonds now outstanding and the bonds for whose issue the Authority has made commitments to the city of Memphis, made a total amount of approximately \$67,300,000.

The conference report prohibits the Authority from issuing any additional bonds under the existing sections 15 and 15a of the act, but authorizes the Authority in a proposed new section 15c to issue new bonds in an aggregate amount not exceeding \$61,500,000. The Memphis commitment provided for in the House amendment has already been fulfilled by the Authority, and hence this provision has been omitted from the conference report as no longer necessary.

Use to which proceeds from bonds may be put

The Senate bill provided that the bonds might be sold by the corporation to obtain funds for the construction or acquisition of dams with appurtenant facilities, generating plants, transmission lines, rural distribution lines, and other electric-utility properties as authorized by the act including the purchase of the

Tennessee Electric Power Co. properties, and for the purpose of carrying out the provisions of section 12a of the act.

Under the House amendment \$7,000,000 of the funds obtained from the sale of bonds were to be used solely for the purchase, integration, and rehabilitation of electric-utility properties of the Mississippi Power Co. and the Alabama Power Co. in certain named counties in northern Mississippi and northern Alabama and for the purpose of carrying out the provisions of section 12a of the act in such States in connection therewith. The remainder of the funds obtained from the sale of bonds was to be used solely for the purchase, integration, and rehabilitation of the electric-utility properties of the Tennessee Electric Power Co. and the Southern Tennessee Power Co. as contemplated in the contract between the Authority and the Commonwealth & Southern Corporation and others, and to carry out the provisions of section 12a in Tennessee in connection therewith.

The conference report specifically details the purposes to which the proceeds from the sale of the \$61,500,000 of bonds authorized may be put. Not in excess of \$46,000,000 is to be used for the purchase by the Authority of electric-utility properties of the Tennessee Electric Power Co. and Southern Tennessee Power Co., as contemplated in the contract of May 12, 1939, between the Authority and the Commonwealth & Southern Corporation and others. Not in excess of \$6,500,000 is to be used for the purchase and rehabilitation of electric-utility properties of the Alabama Power Co. and Mississippi Power Co. in 27 specified counties in northern Alabama and northern Mississippi. Not to exceed \$3,500,000 is to be used for rebuilding, replacing, and repairing electric-utility properties purchased by the Authority in accordance with the provisions of this section, and not to exceed \$3,500,000 is to be used for constructing electric transmission lines, substations, and other electrical facilities necessary to connect the electric-utility properties purchased by the Authority in accordance with the provisions of this section with the electric power system of the Corporation. Not to exceed \$2,000,000 is to be used for making loans under section 12a of the act to States, counties, municipalities, and nonprofit organizations to enable them to purchase any electric-utility properties referred to in the contract between the Authority and the Commonwealth & Southern Corporation, already mentioned, or any electric-utility properties of the Alabama Power Co. or Mississippi Power Co. in any of the specified counties in northern Alabama or northern Mississippi. The Authority is to file with the President and with the Congress in December of each year a financial statement and complete report as to the expenditure of funds derived from the sale of bonds under section 15c covering the period not covered by any such previous statement or report.

General provisions applicable to bonds

The Senate bill provided that the bonds be in such forms and denominations, mature in such periods not more than 50 years from the date of their issue, be redeemable at the option of the Authority before maturity in such manner as might be stipulated therein, bear interest at such rates not exceeding 3½ percent per annum, be subject to such terms and conditions, be issued in such manner and amount, and sold at such prices, as might be prescribed by the Authority with the approval of the Secretary of the Treasury. The bonds were not to be sold, however, at prices or on terms to afford an investment yield to the holders in excess of 3½ percent per annum.

The House amendment contained identical provisions.

The conference report also contains identical provisions.

Guarantee of principal and interest by the United States

The Senate bill provided that the bonds should be fully and unconditionally guaranteed both as to interest and principal by the United States.

The House amendment provided that such bonds should be fully and unconditionally guaranteed both as to interest and principal by the Authority, but not by the United States.

The conference report adopts the provisions of the Senate bill in this respect.

Power of Secretary of Treasury to purchase bonds

The Senate bill authorized the Secretary of the Treasury in his discretion to purchase any of the bonds issued under the act, and for such purpose to use as a public-debt transaction proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and to sell at any time any of the bonds so acquired. All redemptions, purchases, and sales by the Secretary of such bonds were to be treated as public-debt transactions of the United States.

The House amendment contained no similar provision.

The conference report adopts the provisions of the Senate bill in this respect.

Power of authority to buy its bonds

The Senate bill authorized the Authority with the approval of the Secretary of the Treasury to purchase its bonds in the open market at any time and at any price.

The House amendment contained an identical provision.

The conference report also contains an identical provision.

Limitation on use of bond proceeds to carry out section 12a

The Senate bill provided that no bonds should be issued to provide funds or bonds necessary for the performance of any proposed contract negotiated by the Authority under section 12a until the proposed contract had been submitted to and approved by the Federal Power Commission. Upon submission of any such contract to the Commission, the matter was to be given precedence

and in every way expedited. The Commission's determination of the matter was to be final.

The House amendment contained similar provisions, but perfected such provisions so as to provide that none of the proceeds of any bonds should be used in the performance of any such proposed contract until it had been submitted to and been approved by the Federal Power Commission.

The conference report contains provisions identical in this respect with those in the House amendment.

Expiration of authority to issue bonds

The Senate bill provided that the authority to issue bonds should expire January 1, 1941, except that such bonds might be issued at any time after the expiration of such period for refunding purposes or to provide bonds or funds found necessary for the performance of any contract entered into by the Authority prior to the expiration of such period under the authority of section 12a of the act.

The House amendment contained similar provisions.

The conference report contains similar provisions, except that the language has been clarified to obviate any contention that more than \$61,500,000 worth of bonds are authorized to be issued and also to obviate any contention that the Authority may, after January 1, 1941, expend bond proceeds to carry out section 12a of the act without regard to the limited purposes for which loans under section 12a of funds derived from bond proceeds may be made, or without regard to the \$2,000,000 limitation on the aggregate amount of such loans.

Limitations on future activities of Authority

The House amendment (sec. 1) provided that after the date of its enactment no dams, appurtenant facilities, generating plants, transmission lines, rural-distribution lines, or other electric-utility properties, except properties of the Tennessee Electric Power Co. and Southern Tennessee Power Co., and except properties of the Mississippi Power Co. and Alabama Power Co. in certain named counties in northern Mississippi and northern Alabama, should be constructed or acquired unless approved by Congress. This provision of the House amendment also prohibited the Authority from constructing or acquiring or extending credit for the construction or acquisition of any transmission lines or other facilities outside the territory drained by the Tennessee River and a specified portion of the drainage area of the Cumberland River; and also prohibited the Authority from selling or delivering power for use outside (1) the territory drained by the Tennessee River, (2) the portion of the drainage area of the Cumberland River already referred to, (3) those portions of counties on the date of enactment being supplied with power or under contract to be supplied with power by the Authority, and (4) certain named counties in northern Alabama and northern Mississippi.

The Senate amendment contained no similar provisions.

The conference report does not contain any provision placing geographical limitations as such on the future activities of the Authority. The provisions of the conference report, already discussed, limiting the amount of bonds which may be issued, and specifying in great detail the uses to which the bond proceeds may be put, will, however, operate as an extremely effective geographical limitation. The funds of the Authority are derived from three sources: (1) The sale of its bonds, (2) revenues from the sale of power, and (3) appropriations. As stated, the conference report requires that the bond proceeds be used only to carry out stated purposes within a stated and well-defined area. Pursuant to a request from the chairman of the House Committee on Military Affairs, the Tennessee Valley Authority, through its responsible fiscal officer, submitted for the files of the conference committee the following statement as to the uses to which the appropriations available to the Authority and the revenues from the sale of the Authority's power are to be put in the fiscal year ending June 30, 1940:

TENNESSEE VALLEY AUTHORITY,
Washington, July 11, 1939.

The Honorable ANDREW JACKSON MAY,
Chairman, House Military Affairs Committee,
Washington, D. C.

DEAR CHAIRMAN MAY: In compliance with your request, I am enclosing for the files of the House conference committee on the T. V. A. bond legislation the Authority's present view as to the allocation of available funds for the fiscal year 1940 by principal projects. I am also enclosing our present allocation of the Authority's transmission-line budget for the fiscal year 1940.

The budget for transmission-line construction is classified to show separately work now under construction or officially authorized, work requested but not yet authorized, work definitely contemplated, additions required because of load or contract changes, construction required to support Memphis service, Mississippi additions, substations at water-control projects, and miscellaneous.

The total transmission-line budget for the fiscal year 1940 is \$6,781,000, exclusive of overheads, which are included in the Authority's over-all budget as part of "General and administrative expenses," which are estimated to total \$4,675,000 during the fiscal year 1940, for the Authority's entire program. The figure of \$6,781,000 for transmission-line construction in the Authority's allotment of funds for 1940 compares with \$7,136,460 shown in the Authority's appropriation request to Congress, with the exception that the latter figure includes overheads.

You will note that none of the items included have any relation to the proposed Tennessee Electric Power Co. acquisition, as this acquisition was not under consideration at the time the Authority's 1940 appropriation was requested. As you know, the Authority had

contracts prior to the consummation of the Tennessee Electric Power negotiations with only five cities served by this company. Of these five, Chattanooga was planning to construct its own transmission facilities to Chickamauga Dam, and the Authority had already constructed facilities for service to Columbia, Fayetteville, Lewisburg, and Lenoir City. Accordingly no transmission-line estimates were included in the 1940 budget for extending service to other communities served by the Tennessee Electric Power Co.

I should make clear that the general allotment of available funds for the fiscal year 1940, as well as the allotment of funds available for transmission-line construction, represent our best present view. It is impossible to predict accurately the actual requirements for each purpose for an entire year in advance. Accordingly, the allotments are subject to change to reflect the actual circumstances developing during the year. Some of the items of transmission-line construction might have to be deferred and other items not mentioned might become necessary. The original request of the Authority's department of power operations for funds to be used for transmission-line construction during the fiscal year 1940 exceeded the final allotment by several million dollars. To reach the figure of \$6,781,000 it was necessary to defer a number of projects which we think are urgently needed to the fiscal year 1941.

I trust that this is the information you are seeking, but if we can add any further explanation of any of the items I should be pleased to discuss them with you.

Very truly yours,

J. A. KRUG, Chief Power Engineer.

Tennessee Valley Authority—approved budget, fiscal year 1940

	Estimated total cost	Fiscal year 1940
Work under construction or authorized (carry-over only):		
Columbia-Victor second line and terminals.....	\$253,000	\$153,000
Modernize breakers at Washington Ave. substation.....	46,000	16,000
Jackson primary substation, 12-kilovolt changes.....	13,000	3,000
Install 60,000-kilovolt-amperes bank at Columbia.....	420,000	10,000
Install 2 breakers and 1 transformer at Wilson Dam.....	198,000	40,000
Retire 3 breakers at Wilson Dam.....	-75,000	-75,000
Install radiators and sump pump at Tupelo.....	6,000	3,000
Retire 30,000-kilovolt-amperes bank at Norris.....	-200,000	-200,000
Service to Columbus, Miss.....	159,000	129,000
Service to Fort Payne and Scottsboro.....	236,000	100,000
Clarksville and Dickson regulators.....	39,000	24,000
Wilson-Wheeler line and terminals.....	385,000	335,000
Wheeler-Columbia line and terminals.....	909,000	739,000
Subtotal.....	2,389,000	1,277,000
Work requested but not yet authorized:		
Martin substations, 12-kilovolt additions.....	21,000	11,000
Norris-Arlington carrier current relay.....	21,000	21,000
Service to Macon, Miss.....	14,000	14,000
Additions in the west Tennessee area.....	470,000	470,000
Columbia condenser.....	345,000	245,000
Washington Ave. substation rehabilitation.....	133,000	133,000
Subtotal.....	1,004,000	894,000
Additional work definitely contemplated:		
Pickwick auto transfer (gross, \$310,000).....	110,000	110,000
Columbia-Nonsanto third circuit.....	105,000	105,000
Wilson Dam, additional 44-kilovolt capacity.....	135,000	135,000
Sardis line and substation acquisition.....	525,000	525,000
Connections to Hiwassee line.....	750,000	500,000
Milan substation and line changes.....	60,000	60,000
Lonsdale substation.....	354,000	354,000
Lonsdale tap, 110-kilovolt circuit.....	30,000	30,000
Subtotal.....	2,069,000	1,819,000
Additions required because of load or contract changes:		
Arlington-Coal Creek-K. U. connection.....	310,000	310,000
Nashville-Clarksville (using Gilbertsville line).....	750,000	500,000
Service to area north and east of Nashville.....	500,000	500,000
Subtotal.....	1,560,000	1,310,000
Additions required because of Memphis acquisition: Sardis-Como line and terminals.....	150,000	150,000
Additions required in Mississippi:		
Service to Aberdeen (44 kilovolts).....	72,000	49,000
West Point 110-kilovolt substation and Tupelo changes.....	245,000	245,000
Subtotal.....	317,000	294,000
Unreleased balance for future construction.....	4,086,000	124,000
Dam substations:		
Guntersville.....		226,000
Chickamauga.....		111,000
Hiwassee.....		613,000
Subtotal.....		950,000
Miscellaneous:		
Rural lines.....		150,000
Inventories.....		-300,000
General equipment.....		95,000
Miscellaneous.....		18,000
Subtotal.....		-37,000
Total transmission construction.....		6,781,000

¹ Net.

Tennessee Valley Authority, Budget Estimates—Fiscal Year 1940 (Before proration of general and administrative expense)

Total available funds:	
Appropriation ¹	\$35,003,000
Net revenue from power operations.....	5,933,000
Total.....	40,936,000
Proposed allotments:	
Gilbertsville Dam and reservoir.....	10,220,000
Pickwick Dam and reservoir.....	640,000
Wilson Dam and reservoir.....	280,000
Wheeler Dam and reservoir.....	32,000
Guntersville Dam and reservoir.....	1,225,000
Hales Bar Dam channel improvements.....	39,000
Chickamauga Dam and reservoir.....	3,840,000
Watts Bar Dam and reservoir.....	4,530,000
Coulter Shoals Dam preliminary investigations.....	111,000
Hiwassee Dam and reservoir.....	3,960,000
Norris Dam and reservoir.....	76,000
Other tributary project investigations.....	
Transmission, other electric plant, and power inventories.....	6,781,000
Obligations of municipalities and associations.....	200,000
Navigation operations.....	82,000
Flood-control operations.....	1,000
Common operations.....	611,000
Fertilizer plant and inventories.....	824,000
Fertilizer operations.....	1,725,000
Related property plant and equipment.....	52,000
Related property operations.....	605,000
Related development activities.....	1,075,000
General plant, equipment, and inventories.....	207,000
Depreciation on minor plant and equipment.....	-855,000
General and administrative expense.....	4,675,000
Total.....	40,936,000

¹ Total 1940 appropriation \$39,003,000, of which \$4,000,000 is set aside for payment of 1939 contract obligations, leaving a balance of \$35,003,000 available for 1940 obligations.

Requirements for T. V. A.-C. & S. deal

Purchase, Tennessee Electric Power Co.:	
Contract amount.....	\$44,578,300
Prorated share taxes, estimated.....	521,700
Estimated amount, taxes since July 1, 1939.....	200,000
Materials, supplies.....	400,000
Miscellaneous capital additions since Apr. 30, 1939.....	300,000
Total.....	46,000,000

Loans, \$2,000,000:	
Blue Ridge, E. M. C.....	275,000
Lincoln, E. M. C.....	170,000
Plateau, E. M. C.....	100,000
Lawrenceburg, E. M. C.....	40,000
Tennessee, Alabama, Mississippi.....	1,415,000
Total.....	2,000,000

Repairs, \$3,500,000:	
Hydro and steam-plant repairs.....	1,000,000
Transmission-line and substation repairs.....	1,600,000
Alabama, Mississippi.....	900,000
Total.....	3,500,000

Interconnection, \$3,500,000:	
Transmission line to Nashville from Columbia.....	1,300,000
Transmission lines around Chattanooga.....	1,300,000
Transmission line, subsidiary, West Point, Miss.....	300,000
Miscellaneous, Alabama, Tennessee lines.....	600,000
Total.....	3,500,000

Purchase, Alabama and Mississippi: Estimated contract amount.....	6,500,000
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Total..... 61,500,000

The Authority's self-imposed limitations on its activities during the fiscal year ending June 30, 1940, taken in conjunction with the limitations on the use of bond proceeds contained in the conference report will constitute an effective geographical limitation on the Authority's activities, at least until Congress is called upon to make appropriations to carry out its activities during the fiscal year ending June 30, 1941.

Provisions relating to Comptroller General

The House amendment (sec. 2) provided that all money made available for expenditure in carrying out the purposes of the act should be withdrawn from the Treasury only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General, or certificates of settlement issued by the General Accounting Office. The Comptroller General, however, was authorized in his discretion to allow credit for payments from moneys under the control of the Authority, not otherwise allowable, when shown to be reasonably necessary to the accomplishment of the work authorized by law to be done by the Authority.

The Senate bill contained no similar provisions.

The conference report contains no similar provision.

Provisions relating to local taxation

The House amendment (sec. 3) provided that the percentage of the Authority's gross receipts which the present law requires be paid to the States of Alabama and Tennessee should not be changed to reflect any loss in tax revenue to any State or political subdivision by reason of the ownership or use by the Authority of, or income derived by the Authority from, any property for or connected with the generation or transmission of electric power. This provision prohibited payments, except as otherwise authorized in the section of the act which is amended, to be made by the Authority or by the United States for, or on account of, or in lieu of, any such loss in tax revenue, and it was declared to be the intention of Congress that any such loss in revenue be recovered by the several States involved in such manner as each might see fit from the persons benefited by the use of electric power generated by the Authority.

The Senate bill contained no similar provisions.

The conference report contains no similar provision.

Sinking-fund provisions

The House amendment (sec. 4) required the Authority to provide from the earnings of electric properties under its control interest on its bonds, and to deposit prior to each interest date such interest in such agencies as might be designated from time to time by the Secretary of the Treasury. The Authority was also required to provide from such earnings an annual sinking fund in an amount sufficient to pay at maturity the entire principal of the bonds issued under the act, the sinking fund to be deposited in an agency to be designated by the Secretary of the Treasury and to be used to retire the bonds as they mature. The payments to the sinking fund were to be in a uniform amount and to be so distributed so that each year would bear its proportionate share of the total. It was declared to be the purpose and intent of this provision that the principal and interest of all such bonds be paid in full at or before maturity by the Authority on the earnings of its electric properties.

The Senate bill contained no similar provisions.

Although the conference report does not contain any provisions requiring the maintenance of a sinking fund for the retirement of bonds, the limitation on the amount of bonds which may be issued and the consequent limitation on the power of the Authority to refund its bonds have the effect of requiring the Authority to maintain a sinking fund to retire these bonds as they mature.

Reimbursement of the United States for cost of Tennessee Valley Authority properties allocated to generation and transmission of electricity

The House amendment (section 4) required the Authority to issue to the Secretary of the Treasury one or more bonds, in such denominations and with such maturities not exceeding 50 years as the Secretary of the Treasury might designate, in an amount equal to the total cost allocated to the development of power and the total cost of the other properties of the Authority devoted to the transmission or distribution of electric power for sale. The Authority was required to provide from the earnings of such electric properties interest on such bond or bonds and deposit such interest when due in the Treasury of the United States. These bonds were to bear interest at a rate equal to the average rate of interest payable by the United States on its obligations having maturity of 10 or more years after the dates thereof, issued during the last preceding fiscal year in which such obligations were issued.

The Senate bill contained no similar provision.

The conference report contains no similar provision.

A. J. MAY,
EWING THOMASON,
DOW W. HARTER,

Managers on the part of the House.

Mr. MAY (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes; I yield.

AMENDMENTS TO SOCIAL SECURITY ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6635) to amend the Social Security Act and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Mr. DOUGHTON, Mr. CULLEN, Mr. McCORMACK, Mr. COOPER, Mr. TREADWAY, Mr. CROWTHER, and Mr. KNUTSON.

AMENDMENTS TO TENNESSEE VALLEY AUTHORITY ACT—CONFERENCE REPORT

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. SHORT. Under the rules of the House we have 1 hour to consider the conference report. That hour is under the control of the chairman of the Committee on Military Affairs, the gentleman from Kentucky [Mr. MAY] who has been very considerate in yielding half the time to the minority. I have no personal desire to prolong the debate in consideration of the report, but I have several requests from gentlemen on this side who have urged me to try to get an additional hour.

Mr. MAY. Mr. Speaker, I have no requests for time on my side, and I expect to use only about 15 minutes' time in making an explanation of the conference report. I should be very glad to yield the remainder of my time to the gentleman from Missouri, if he desires it.

Mr. SHORT. Then I understand that we will get an additional half hour?

Mr. MAY. Oh, no. Just let the matter run along for an hour and I shall yield to the gentleman a part of my time, at least 10 minutes.

Mr. Speaker, in bringing to the House the conference report on Senate 1796 relating to the Tennessee Valley Authority, I shall take just a very brief time to make a rather hurried explanation of the conference report. Before entering into the provisions of the report, and the changes that have been made I feel that in justice to the membership of the House, I should make a preliminary statement.

I believe General Washington is credited with having quoted the verse—

He that fights and runs away
May turn and fight another day;
But he that is in battle slain
Will never rise to fight again.

That is not exactly what I have done in this instance, but I have given and I have taken. When the House of Representatives very appropriately sustained your House Military Affairs Committee in the passage of the House amendment to what was known as the Norris bill, conferees were appointed by the Speaker and I was chairman of that conference report. We had a great deal of difficulty and, as a matter of fact, we were at once confronted with the problem of whether or not the House of Representatives should completely, unconditionally surrender to another body. Perhaps I should not say surrender to another body but surrender to one Member of another body. We did not surrender. [Applause.] We will not on any other occasion surrender if I have anything to do with it, but, as I have said, I thought it better that I yield on some material things in order that I might be able to fight another day; and I serve notice now that I have not changed a single view, have not surrendered a single conviction that I have had on this subject of the operations and activities of the Tennessee Valley Authority from the day it started.

At this point I pay tribute, if I am capable of doing it properly, to the minority membership of my committee for the patient manner in which they have gone along with me on this legislation in an effort to bring to the House something constructive. I acknowledge my debt of gratitude to the Republican minority in the House of Representatives for their fine attitude in the matter. I do not mean by that, however, to admit that they put the bill over by their own votes, but they were fine in their attitude about it. They were loyal, and if anybody on that side of the House feels that I have not done exactly what I should have done, I am sorry. If any of my colleagues on the Democratic side of the House are not satisfied with this report, they are in no worse fix than I am, because I am not satisfied with it, but I bring it here to the House of Representatives as chairman of the conference committee that dealt with it in an effort to get the best possible out of a bad situation.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MAY. I cannot yield just now. I am sure that I will be asked something about the Tennessee Valley Authority if I had—I yield to the gentleman.

Mr. RANKIN. I just wanted to say to the gentleman from Kentucky that this conference report is such a great improvement over the House bill that we are willing to accept it.

Mr. MAY. I am sure the gentleman is willing to accept this because we have reached the point where he has to accept it.

Mr. RANKIN. We have reached the point where the gentleman had to offer it to us.

Mr. MAY. Let me make this statement in reference to what the gentleman from Mississippi has said: This bill is going to mark quite a bit of improvement in the Tennessee Valley Authority when it is put into effect. We started out with a proposal, naked and unvarnished, for an issue of \$100,000,000 of bonds, chargeable to the Federal Treasury, for the purpose of concluding a contract between Tennessee Valley Authority and the Commonwealth and Southern Corporation and its subsidiary, the Tennessee Electric Power Co. You all remember just how eager it was that a certain group desired to have the matter disposed of without hearings of any kind whatsoever.

Let me say that, as chairman of the Military Affairs Committee of the House, as long as I am chairman of that committee and my committee stays with me, every bill of vital importance—particularly of the importance of this measure—will have an adequate and complete hearing. Any man who has a bill before that committee can get a hearing. We did have hearings in this instance for about 4 weeks, interspersed on various occasions with numerous hearings on War Department legislation that was pending before the committee. In the course of those hearings we found that as an actual matter of fact less than one-half of the \$100,000,000 was all that was essential to the completion of that contract. We have worked out in this conference report terms by which we have actually yielded money in addition to that absolutely necessary to consummate the deal, in order to allow for rehabilitation and proper integration of the system which is being acquired under this contract with the system now owned by the Tennessee Valley Authority.

Let me make it clear now that I am not here as chairman of the Military Affairs Committee of this House, nor is my committee here making any admission that we recognize the policy of public ownership of utilities. I do not believe in that doctrine. I do not subscribe to it; but we were confronted with the situation where the Tennessee Valley Authority directors, unusually liberal in their disposition toward those who want money, was furnished with \$100,000,000 of bond authority which they could issue and which they had begun to issue during the hearings—and, by the way, let me remark that they had issued \$9,000,000 of these bonds and sold them while the conferees of the Congress of the United States were conferring upon the matter. I cite that as showing the absolute desire and disposition of the Tennessee Valley Authority Board of Directors to ignore the wishes of the Congress of the United States and have their own way about every matter with which they deal.

Under the bill we have saved \$38,500,000 to the taxpayers. Under the bill which we finally agreed upon we earmarked every dollar of the money that will be realized from the sale of these bonds and have provided just exactly how it shall be spent and for what it shall be spent, in a number of items. We did that for the purpose of preventing the Congress of the United States again being placed in the bad predicament of having to approve a transaction by which the Tennessee Valley Authority directors had gone out and, by competition, by proselyting and by agitating, driven down the stock and bond values of the securities of the Tennessee Electric Power Co. to an average of 40 cents on the dollar, and then come back to the Congress and say to the Government, "Give us 100 cents on the dollar to buy them out." We have hoped that that thing will not occur again, and it is the purpose and intent of your committee in bringing this legislation here to say to the world and to the Tennessee Valley Authority and to the courts of this country, if you please, that it is not the policy of the American Congress that any corporation organized under the Federal Government shall go out and compete

with and destroy private industry anywhere in America, even though it be in the Tennessee Valley. [Applause.]

Mr. WHELCHER. Mr. Speaker, will the gentleman yield for a question?

Mr. MAY. Yes; I yield to the gentleman.

Mr. WHELCHER. Not having had an opportunity to study this conference report, I want to ask the gentleman if any provision has been made to take care of those small counties whose taxable revenue is being taken away by the Tennessee Valley Authority?

Mr. MAY. I appreciate the gentleman's courtesy in asking me that question, and I shall be delighted to answer him.

We found in the course of the hearings in connection with this matter that there are 20 or 25 counties in the Tennessee River area in the States of Tennessee, Alabama, and Georgia that are literally being exterminated as far as taxable values are concerned. In other words, the first thing that happened under the program of the Tennessee Valley Authority was that they built these high dams. They submerged hundreds of thousands of acres of the best and the most valuable taxable land in a number of counties, and there is a list of 10 counties here which the proof showed they would be unable to meet their bonded indebtedness and interest charges, including one of the counties in the district represented by the gentleman from Georgia [Mr. WHELCHER] and those counties, after the real estate was taken out by the flooding of the area by these high dams, have left the major portion of their taxable values bound up in the Tennessee Electric Power Co. properties, over dry land out in the areas in the rural districts, and in the cities and towns. In one instance, as an illustration, Fannin County, Ga., I will be glad to yield if the gentleman from Georgia [Mr. WHELCHER] will give us a direct and succinct statement as to what that county is up against right now.

Mr. WHELCHER. I thank the gentleman. I want to express my appreciation for the hearings the gentleman gave me and my people from Fannin County. In that connection, the taxable property that is being taken over by this Authority represents two-thirds of such property in that county. In other words, 60,000 acres of that small county is being taken by this purchase. I have no desire to show any disposition not to cooperate and go along with anything that is progressive, but I do feel that they should at least be cared for in some way. Your committee and you as chairman have been very gracious to me and my people who came here to be heard.

The question is: Does the gentleman know of any way that my people can be cared for?

Mr. MAY. I may say to the gentleman from Georgia that the Tennessee Valley Authority has issued a press release in which they state the policy they expect to pursue in the future with respect to taxes; but the conference report we present today makes no provision for taxes whatsoever. As Mr. Willkie stated when he reluctantly expressed his regret in having to leave the State of Tennessee as a businessman: "People down there will have to boil in their own juice," unless they can deal with the Tennessee Valley Authority.

What the T. V. A. wants to do and what they intend to do is to say to the people of Tennessee and to these submerged and wrecked counties, "We come here with Federal money. We have given you flood control, we have given you cheap electricity, we have given you soil-erosion prevention, we have given you reforestation, we have given you all these benefits; now your taxable values must be offset by these advantages that you are to obtain by cheap electric rates and other things." I take the position myself, however, I may say to my friend from Georgia, that that will not satisfy the sheriff when he comes around with the tax bill.

Mr. WHELCHER. I appreciate the gentleman's statement and realize it is quite true. There certainly is great feeling in that section. I do not know what to expect, but as far as I am concerned I cannot sit by idly and let this go by with a vote in favor of it, much as I dislike to vote against it.

I express my appreciation to the chairman for the work he has done and for his statement.

Mr. MAY. I will tell the gentleman from Georgia what I meant a while ago when I recited Washington's little saying:

He who fights and is in battle slain
Will never live to fight again.
But he who fights and runs away
May live to fight another day.

What I meant by that was that if I stay here long enough something will be done about taxes in Tennessee, Alabama, and Georgia with respect to the Tennessee Valley Authority, if the Congress will go along with me.

Mr. WHELCHER. I appreciate that; and let me say to the gentleman that there is a feeling in my district that we have been imposed upon, even though we are good Democrats; and I cannot go along with this proposition. I will go along on any question insofar as I think it is right, but this certainly is not right, and it is done under my protest that we feel we are being mistreated.

Mr. MAY. I may say to the gentleman from Georgia that the public would never have known anything about what was happening down there if it had not been for the chairman of the Committee on Military Affairs insisting on open hearings.

Mr. WHELCHER. The gentleman is entirely correct.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. CULKIN. Am I correct in my recollection that in some of the acts amendatory of the T. V. A. 5 percent of the gross receipts were to be set aside for tax purposes?

Mr. MAY. There was some such provision in the original act.

Mr. CULKIN. Was it not afterward increased to 7½ percent on the completion of the Norris Dam for the benefit of the States of Tennessee and Alabama?

Mr. MAY. That is right.

Mr. CULKIN. What has happened to that money?

Mr. MAY. That money is supposed to be paid over to those two States, and I think it has been; but it amounts to a very small sum. The loss in taxable revenues to the State of Tennessee alone is \$3,500,000, to the State and all the municipalities in that taxing district of the State.

Mr. CULKIN. What are the receipts from this source?

Mr. MAY. The receipts from this source amount to less than \$250,000 in both States.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. RANKIN. As I understand it, the situation is this: If this conference report is agreed to, it limits the expenditure of T. V. A. to \$61,500,000. If this conference report is voted down, it will leave them with the right to issue \$100,000,000 worth of bonds; and instead of buying out these properties that the power company is so anxious to sell, they can take that \$100,000,000 and buy up the transmission lines and distribution systems and fight it out on the basis of competition. I want the House to understand just what they are voting on. A vote against this conference report is a vote to give them \$100,000,000 instead of \$61,500,000.

Mr. MAY. I think the House understands that. What we want the Members to understand is what has been going on down there since your committee has been considering this legislation; and a part of it is this: That since the conference has been under way, and since a single Senator tied up the thing here for 4 weeks, they have duplicated the transmission lines in five counties of northern Mississippi, and have actually constructed the lines in northeastern Mississippi.

Mr. RANKIN. Mr. Speaker, will the gentleman yield? I am sure the gentleman does not want to mislead the House on that.

Mr. MAY. And at the very time when the conference was agreed upon they came here to Washington and admitted that they had been doing that. In addition to that, they are now starting construction, running double shifts, night and day, on a transmission line from Bessemer, Ala., a suburb of Birmingham, to Muscle Shoals Wilson Dam.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. RANKIN. The gentleman is entirely mistaken about the expenditure for the municipal plants in northern Mississippi being made by T. V. A. only while this conference was in session.

Mr. MAY. I did not say that.

Mr. RANKIN. Those people have floated bonds and are building their own systems.

Mr. MAY. I said building transmission lines.

Mr. RANKIN. But the lines are already built.

Mr. MAY. They are not built in the five counties where they have been building them since then.

Now, as a further precaution for the Congress of the United States, and speaking for myself as a Member of Congress under the obligations of a constitutional oath, and not believing under any circumstances in the destruction of a citizen's private property by Government-subsidized activities [applause], I demanded from Mr. Blee, the Tennessee Valley engineer, a statement with reference to what they expected to do, not only with this money but with the \$40,000,000 appropriated by the Congress during the last session for the year 1940. I have set forth in the conference report an itemized statement of what they propose to do. I am going to keep tab on them and when the next session of the Congress meets I expect to have a complete report of their activities. If they deviate, I propose to let them hear from me again.

Mr. KELLER. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Illinois.

Mr. KELLER. I would like to know if the gentleman from Mississippi is correct in his statement that if we vote down the conference report the Tennessee Valley Authority will have \$100,000,000 instead of \$6,500,000?

Mr. MAY. That is correct. They will have a bond authority of \$100,000,000 if this report is not adopted, which they can use to pay for transmission lines wherever they want to construct them. They can buy them or lend the money to pay for them, which is the equivalent of buying them.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I am afraid the gentleman did not catch the question. If we vote down this conference report, it will go back to the conference committee for further consideration.

Mr. MAY. I was dealing with the question of the bond authority. I want the House to know the reason why I surrendered on some of these things. It was to remove this Damocles sword of \$100,000,000 from over the head of industry down in Tennessee.

Mr. DIRKSEN. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. We recur to the provisions of the original act relative to the bond issue of \$100,000,000, but there is not a dime's worth of authority there to purchase the Willkie properties or anything else. They can build.

Mr. RANKIN. Oh, yes.

Mr. DIRKSEN. They can build duplicating lines.

Mr. RANKIN. They can finance the purchase of the property.

Mr. MAY. I am yielding to the gentleman from Illinois. There was no power under section 12 (a) of the act to use that \$100,000,000 for the purpose of purchasing the generating and transmission facilities of the Tennessee Electric Power Co. They could not do that, but they could go out and use it for the purpose of constructing duplicate transmission lines. Knowing their disposition, knowing their desire, their intent, and their purpose as I do know it, I knew what they would do with that \$100,000,000; therefore I yielded on some of the things involved here.

Mr. RANKIN. Will the gentleman yield?

Mr. MAY. I do not yield further.

Mr. RANKIN. The gentleman is wrong.

Mr. MAY. I am not yielding. I want to call attention to the fact that in the provision relating to the use of these

bonds we have prohibited their being refunded, which is the equivalent of a requirement for a sinking fund for the retirement of these bonds at maturity. That is one thing we obtained in conference, in addition to reducing the amount and earmarking the money.

Mr. Speaker, I think I have made about all of the statement I desire to make with reference to this matter, except I do want to say that I have steadfastly taken this position; and when I change it, it will be after I have gone out of Congress. I do not know how long that will be. So long as I stay here I am going to stand pat on the position I have taken in reference to this matter in opposition to the destruction of private property with public funds.

May I say to the people of Tennessee, Alabama, and Georgia, if there is anything I can do to pull some of my colleagues out of the hole by adjusting the tax question I will be glad to do it. I do not want them to simmer in their own juice, as has been stated by an executive of the power company. However, I do want to see the time come when those who get cheap electricity that we have heard so much about shall bear the tax burden when they can buy electricity at 2 mills per kilowatt, whereas others have to pay 5 mills, 1 cent, and higher even than that, because they are the beneficiaries of the low rates that they have, although they are not low when you consider all the items of expense.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. I am in accord with the gentleman on the proposition of taxation, because any activity that is used commercially ought to bear its fair share of taxation. The thing that I rose to suggest to the gentleman is this: There are some 12,500 preferred-stock holders of the Tennessee Electric Power Co. If this report is approved and this transaction is consummated, they will get 100 cents on the dollar.

Mr. MAY. They get their money. That is another thing that induced your chairman to yield on this report, and I may say it was one of the principal things. May I say to the gentleman that he has interjected a word into this debate that is significant. When any governmental agency goes out into a "commercial" enterprise it is a commercial enterprise, and the T. V. A. is nothing short of a commercial enterprise. That is all it is.

Mr. KELLER. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Illinois.

Mr. KELLER. How cheap are they getting power down there from the T. V. A.—and I refer to the people?

Mr. MAY. I do not know how cheap they are getting it. I know the American Aluminum Co. and two or three other large corporations are getting it for about 300 percent less under 20-year contracts than they could get it in other sections of the country.

Mr. KELLER. How much?

Mr. MAY. For about 2 mills per kilowatt or 3 mills on large consumption.

Mr. KELLER. What do the people pay outside?

Mr. MAY. I do not know what the people in the rural areas pay. I do not know that rate, and they have not been able to tell us.

The SPEAKER. The gentleman has consumed 28 minutes.

Mr. MAY. Mr. Speaker, I am sorry I did not ask to be notified earlier, because I wanted to yield part of this time to others.

Mr. PEARSON. Mr. Speaker, will the gentleman yield for a question?

Mr. MAY. For a question, yes.

Mr. PEARSON. I have listened to the gentleman's explanation of the conference report but I still am in doubt and would like to ask the gentleman whether he is recommending to the House that we adopt this conference report or defeat it.

Mr. MAY. I am going to vote for the conference report myself and I recommend its adoption for the reason I stated, that it is the best way out of a bad mess. [Applause.]

Mr. Speaker, under leave to extend my remarks, I include the following statement:

WASHINGTON, July 12.—Commenting upon the compromise reached by the Senate and House conferees on the T. V. A. bond authorization bill, John D. Battle, executive secretary of the National Coal Association, today made the following statement:

"The principal vices of the Norris T. V. A. bond issue bill from the standpoint of the bituminous-coal industry, and which led our industry to oppose it to the utmost at every step, have been rectified in the compromise bill now agreed to by the House and Senate conferees. The outcome is a real victory for the coal industry in particular and the country and the taxpayers in general. We believe it marks a decisive turning point in the reckless, ruthless, and unfettered course which T. V. A. has heretofore pursued in promoting its hydroelectric power program regardless of cost or consequences. The concern of the coal industry with the T. V. A. is wholly due to the losses, present and prospective, of coal tonnage through T. V. A.'s hydro-power program which destroys present and preempts future markets for coal in the Tennessee Valley and thereby contributes to permanent unemployment of mine and railroad labor. This is transpiring in face of the fact that under present-day conditions coal offers a more economical medium for the generating of electric power in the Tennessee Valley, than T. V. A.'s hydro-power dams.

"Acquisition by the T. V. A. of privately owned utilities within its immediate territory, in preference to their annihilation by T. V. A. and P. W. A. municipal duplication, has not been opposed by the bituminous coal industry. The opposition of our industry to the Norris bill rested upon the fact that by its terms it opened wide the door to T. V. A.'s further expansion without check or hindrance through the medium of purchase of existing electric generating plants wherever it liked.

"This door has been shut. The bill which it now appears that Congress will enact notably cuts the authorized bond issue from \$100,000,000 to \$61,500,000, but more than that restricts its use to the consummation of the purchase agreements between T. V. A. and the Tennessee Electric Power Co. and to incidental and closely related and specifically enumerated purposes.

"An issue of immense importance to the coal industry facing loss of their coal markets, as well as to private utilities and likewise to the taxpayers generally, who in the long run foot the bill, was the question of defining and limiting T. V. A.'s area of operations. This has been achieved in considerable degree and as a practical proposition and in the face of stubborn objection by T. V. A. and its congressional mentor, Senator NORRIS.

"The express geographical limitations contained in the bill as passed by the House have not been retained in the compromise agreement, but T. V. A. obtains no new free funds and is reported to have stipulated that it will not employ any of its general funds (1940 appropriation) for development work into territory beyond its present area of operations. This means that T. V. A.'s further expansion is made to depend on future action of Congress, and we are hopeful that Congress in the years ahead will apply its checkrein. The coal industry will certainly continue its efforts to bring that to pass."

[From the Wall Street Journal]

A HALTER IS PUT ON T. V. A.

The agreement reached by the House and Senate conferees on the bill authorizing issue by T. V. A. of \$61,000,000 bonds for purchase of the Tennessee Electric Power Co. properties, marks an important change in the status of the national war on the private utilities in one important sector. The bill, as approved by the conferees, does not accomplish a complete biting and bridling by Congress of the T. V. A. mustang, but it does go some distance toward the establishment of partial control of that vicious animal, in that by control of its funds it can in a measure retain authority over its future operations in extending its transmission lines into competitive territory.

All parties concerned might appropriately be congratulated on the result, for their victory for common sense and fair dealing—this measure, which has not until now figured very prominently in the relation of the T. V. A. and its private competitors. It would doubtless be premature to conclude that it means the end of the war as a whole, but the T. V. A. sector as the primary end has at all times been a most important salient in that war, and in the wiping out of that salient a very definite gain has been made by the utility companies. The gain is the more impressive in that it has been achieved exclusively by arguments offered in the open, which have convinced the public opinion of its soundness.

As this newspaper has again and again pointed out, the utilities have for years been one of the most powerful forces prohibiting natural recovery, and anything that seems to promise an end, or even a relaxation of the hostility, must be regarded as an omen of better things. In these days we can afford to welcome any good omen anywhere at any time.

Mr. SHORT. Mr. Speaker, if I understood rightly, the chairman of the committee promised the minority 10 additional minutes, but if I am not mistaken he has used most of his time himself. I wonder if we might not get unanimous consent to proceed for an additional time?

Mr. MAY. I certainly regret that I forgot that. I did not think I was going to use that amount of time.

Mr. Speaker, I ask unanimous consent that the time for the other side be extended 10 minutes.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, I believe the minority has been well taken care of in the gentleman's speech, because most of his speech was against the Tennessee Valley Authority, and I object.

Mr. SHORT. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, 1 month ago yesterday, on June 13, in this Chamber, I believe a great victory was won not only for the House of Representatives but also for the American people, when without any partisan vote at all we passed the House T. V. A. bill by a margin of 25 votes—192 to 167—in lieu of the Senate amendment that was tacked on to the Ways and Means Committee bill which lifted the ceiling on the amount of long-term bonds that could be issued by the Secretary of the Treasury of the United States.

Following the passage of the House bill the newspapers over this country, Republican and Democratic alike, congratulated the House of Representatives on two things: First, that we rose up in our might and asserted our independence, showing our freedom from Executive intimidation or domination; and, second, because we gave some assurance to private business in this country that the Government would cease its competition with private industry, or certainly would not extend its area of activity.

The House bill contained certain definite, specific provisions which I want to recall to your mind. First, it limited the bond authorization to \$61,500,000, and that is about the only provision of the House bill left intact in this conference report. So far so good, and I want to be perfectly fair and say that these bonds are earmarked, and in this indirect way certain limitations are placed upon the activity of the T. V. A. The House bill, of course, made these bonds guaranteed by the T. V. A., but in the measure before us the bonds are guaranteed by the United States Government, so we yielded on that point. The bond proceeds could not be used in any contract until approved by the Federal Treasury under the House bill, but under the bill as it now stands the Congress itself earmarks these funds, and in that respect I believe the conference report is perhaps even better than the House bill itself.

Expenditures under the House bill were to be accounted for through the Comptroller General just as expenditures of other Government agencies are required to be accounted for. The House conferees succumbed or surrendered on that point due to the insistence of one lone member of the Senate conferees, who objected to having the T. V. A. placed under an audit by the Comptroller General simply because the former Comptroller General, who was his secretary for many years, entertained a private prejudice against the Tennessee Valley Authority. I argued in conference that the Senator certainly should not continue to object on that ground since a New Deal Senator, and a lame duck one at that, who was appointed by this administration as Comptroller General for the next 15 years, is now in that office. I cannot see any reason under high heaven why the Tennessee Valley Authority should not be subject to audit by the Comptroller General just the same as any other Government agency. I do not know of any oracular wisdom or sublime virtue that the T. V. A. possesses which other agencies do not possess. But the House gave that up and the T. V. A. remains above the law or is a law unto itself.

A sinking fund was provided for bonds in the House bill, but that is cut out. The tax feature in the House bill was likewise eliminated.

The area of operations of the activity of the T. V. A., which was the heart of the House bill, has been obliterated.

Finally, the House bill contained a provision stating that it was the intent of Congress that the recipients of the benefits of this cheap power should be the ones to foot the bill, and not the taxpayers in everybody's district outside the Tennessee Valley area. This also was discarded.

Of course, we are all practical men and we know that you have to give and take in conference. In this particular con-

ference the House did the giving and the Senate did the taking. I have high admiration for the chairman of my committee; in fact, I have such a warm personal regard for him that I imagine I would call it good even if he did anything that was bad. I wish to say, however, that it seems to me we have disemboweled the House bill, we have absolutely cut the heart out of it, because we have given up the Comptroller General, we have given up the tax provision, we have given up the restriction of area, and we have given up the sinking fund. The only thing that is left is the \$61,500,000 item. If that is not almost a complete capitulation, then I do not know what surrender means. For these reasons your minority conferees, the gentleman from New York [Mr. ANDREWS] and myself, could not in clear conscience sign this report. Although I love my chairman—I love my wife, too, but I do not always agree with her—I do regret that he surrendered and capitulated in this report, and I trust that the Members of the House will insist on the provisions as originally voted in the House bill. [Applause.]

Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HARNES].

Mr. HARNES. Mr. Speaker, if the question before the House were merely a matter of purchasing the properties of utility companies in Tennessee which are already marked for destruction and confiscation by the T. V. A., we would not hesitate to render owners the bare justice of compensating them for the properties which are to be wiped out.

But there is much more to this question than the mere purchase of specific properties already marked for destruction by the T. V. A. Here and now we are deciding whether T. V. A. shall be what it originally professed to be—an honest attempt to establish a true yardstick by which we could determine the reasonable costs of producing and distributing electric energy—or whether it shall be a weapon by which we will destroy all private utilities and establish socialized power on a Nation-wide scale. We are literally determining whether the \$12,000,000,000 electric-utilities industry shall continue in private enterprise or whether all power production shall become a proper function of a social government.

We are literally deciding whether T. V. A. and the whole program of socialized power shall be predicated upon an honest, sound, businesslike basis of rates which will amortize capital investments, or whether the laboring men, the farmers, and the business interests in my district and every other district outside of the favored areas are to continue paying more than half the freight for T. V. A. activities, merely in order that the favored power users in the Tennessee Valley may continue to enjoy special rates which are below the cost of production. We are called upon to determine whether we shall support these House amendments and give a definite sign of encouragement to all private enterprise, or whether we shall endorse another step toward sovietizing the entire American economy, which will be as definitely destructive to business confidence as anything that has been done in this session of Congress.

Finally, we are deciding whether a creature of this Congress is bigger than its creator. We are called upon to admit that this program of socialized power, as typified in T. V. A., is a Frankenstein, or to prove that this Congress is the master of its own creation.

I deplore the concessions the House conferees have made on this measure, for I believe that every one of the amendments this body made to the original Norris bill as it passed the Senate are imperative. I believe the House acted wisely, and none too soon, in attempting to restrict and limit the scope of T. V. A. I think these amendments are foresighted in that they attempt to clarify and bring into the open the fundamental issue of whether or not we are going to socialize our utilities industry.

If we want to confiscate and socialize our utilities nationally, well and good. But let us do it with our eyes open. Let us avoid the deceptions, subterfuges, and downright dishonesties under which the New Deal and its power pets are now operating. Keep these House amendments to this bill and make T. V. A. stand on its own feet and pay its own way, like

any other private utility company; do not ask the Federal Treasury to foot the bill and pass the costs on to my friends and neighbors in Indiana in the guise of hidden Federal taxes. Make this experiment an honest yardstick, subject to all the reasonable costs of normal power production. Above all, make it responsible to this Congress and its duly constituted agencies. Make T. V. A. conform strictly to the same accounting principles which we apply to every other creature we establish. Force it to conform to the requirements of the Comptroller General and the General Accounting Office. Satisfy the necessities of justice in the case of the Tennessee companies, whose business is being inevitably destroyed by our power Frankenstein. But insist that there must be a limit placed upon this sort of thing here and now. Let us bridle this Frankenstein of the Tennessee Valley before it strides the Nation and passes entirely beyond our ability to control it.

Under present circumstances a T. V. A. rate for electric energy means exactly nothing as an example of the actual cost of power production. T. V. A. as a yardstick is a rank fraud and a delusion. The ardent advocates of this giant of sovietized power are guilty of half truths and deceptions every time they lay this rubber yardstick against the going rates for power in areas served by private utility companies in their efforts to lure the people of these areas into the T. V. A. pattern.

T. V. A. power rates are a fearful and wonderful rule unto themselves, because T. V. A. has so completely arrogated authority that it has become literally a law unto itself. Any schoolboy can see the utter absurdities in T. V. A. accounting methods. The dishonest, haphazard system of accounting upon which T. V. A. rates are predicated have been denounced by the Authority's one qualified director, Dr. Arthur Morgan, by the General Accounting Office, by the Federal Power Commission, and by every competent engineer and accountant who has ever examined it.

The first error lies in the fact that the Authority, plainly and solely to evade constitutional limitations, maintains the very thin fiction that flood control and navigation are its principal functions. Hence, quite conveniently, less than half of the tremendous capital outlay is charged to power production. If this is a navigation system, the New Dealers should tell the country how pitifully small the potential freight tonnage is which will ever move on the Tennessee River system. They should also acknowledge that every ton of freight which moves by water in that area represents revenues lost to the railways, certainly an already sick industry.

If this is a system of flood control, they should frankly admit what has been so frequently pointed out, namely, that a dam cannot efficiently serve the dual functions of flood control and power production at the same time. To be efficient for flood control T. V. A.'s dams must have a system of empty, or nearly empty, reservoirs behind them. To be efficient power producers they must have full reservoirs which can supply a steady flow the year around at the generators. The only valuable, readily salable energy in any utility is that dependable minimum of electricity which it can deliver every hour of the day, every day of the year. This is the primary or firm power that meets contracted daily requirements. The highly variable character of water power production is one of the weak spots in the T. V. A. system. Why do not the system's advocates honestly admit that one of the main interests in absorbing the private utilities is to acquire the steam generating plants which will give a better semblance of balanced production to the year-around power output?

The first dishonesty of accounting which allocates such a ridiculously large proportion of the tremendous capital outlay to navigation and flood control is alone sufficient to discredit the "yardstick" theory. But there is an even more grievous error in T. V. A. power rates in that they utterly disregard the vitally important item of tax revenues. T. V. A. rates are an almost irresistible lure, but there is a cruelly barbed hook behind them—as the State of Tennessee and its political subdivisions are beginning to learn to their everlasting sorrow.

Part of the argument for this measure is that the power users affected will save \$4,000,000 annually through lower rates. But these private utility properties have been paying an annual tax bill of three and one-half million to the State, counties, and cities of Tennessee. Furthermore, they have been steady contributors to the Federal Treasury, 1937 returns showing payments of \$1,200,000. There are revenue losses, then, of \$4,700,000 to save the people of Tennessee \$4,000,000 on their light bills. The presumption is, of course, that the taxpayers in other parts of the country will go right along contributing the \$4,700,000, so that the people of Tennessee can save the \$4,000,000.

But even that is not all the sorry tax picture. T. V. A. actually destroys valuable, taxpaying property in its series of reservoirs. Accurate estimates of these losses are not available, but the destruction runs as high as 40 percent of the entire assessed valuation in some instances. With the series of 10 dams by no means complete, 10 counties in Tennessee are already affected. The situation is so serious that some of these counties are on the verge of bankruptcy, with default of their bonds and other obligations inevitable. Officials representing these affected areas appeared before our committee when this measure was being considered, begging this Congress to compensate these losses. There is real justice in their claims—but here again is the presumption that the taxpayers in Indiana and other parts of the country will be called upon to pay T. V. A.'s freight.

When this measure was first before the House my esteemed colleague the gentleman from Mississippi [Mr. RANKIN] wept touchingly for the power users of my State, who, according to his figures, are being mulcted by the Power Trust of \$21,000,000 annually. I deeply appreciate his interest in and sympathy for my fellow Indianans. I do not mind his deceiving himself, but I must object to his deceiving the people of Indiana. Mr. RANKIN himself admits that he and his district are in the fortunate position of already having all the benefits of this power development. T. V. A. does not seriously injure any important interests in his district. It supplies his people power below cost, and my constituents are taxed to make up the difference. That, I think, is damage enough to Indiana. I wish he would drop the specious arguments, the wishful thinking, and the hopeless arithmetic by which he tries to lure other areas into sovietized power.

I refuse to accept his statement that the people of my State are losing \$21,000,000 annually on their light bills and defy him to prove it by accounting principles that will satisfy a certified public accountant or an engineer. But assume for the moment that he is correct and that socialized power in Indiana would work out exactly as it works out in Tennessee. If Tennessee and the taxpayers of the Nation must spend or lose \$4,700,000 to save \$4,000,000 in that State, then I suppose that Indiana and the taxpayers would have to spend \$24,675,000 to save the \$21,000,000 on our light bills in Indiana. Furthermore, for the gentleman's information, we have roughly \$475,000,000 invested in our utilities in Indiana. If we were to follow the T. V. A. formula in socializing our utilities in Indiana, I suppose it follows that the Treasury would eventually be expected to underwrite the purchase of these Indiana properties and pass that load on to the taxpayers.

With equally fine disregard for the other factors involved in a program to socialize our utilities, the gentleman apparently gives no thought to the heavy damages T. V. A. has already inflicted upon two sick industries—coal and the railways. But we in Indiana must be a little more practical and foresighted about these matters. Not only will we give some thought to the large investments in our utilities which would be destroyed, but we will be duly concerned about the other serious wreckage T. V. A. would leave in its wake. We produce a lot of coal in Indiana. Thousands of miners depend upon it for their livelihood. Coal is an important source of revenue for our railroads.

T. V. A. plans ultimately to produce more than 8,000,000,000 kilowatts of electrical energy annually. Almost every kilowatt of this water-generated power replaces elec-

tricity now produced by coal. The tremendous damage to the coal industry is at once apparent. Competent authorities say that 1.52 pounds of coal are required at present to produce a kilowatt of power. By simple arithmetic, then, we arrive at the fact that T. V. A. output will eventually displace more than five and three-fourths million tons of coal. Authorities again tell us that one ton of coal at its destination represents a day's work and wages for one man. Obviously, then, T. V. A. will destroy more than five and three-fourths million man-days of work annually.

Follow that a step further. More than one-third of all railroad revenue comes from the transportation of coal. When T. V. A. destroys the markets for five and three-fourths million tons of coal, it also cuts a tremendous slice out of rail revenues and railway employment.

When our committee was considering this proposal, conscientious, well-qualified men from miners' unions, from the coal operators, and from the railroads appeared daily to submit incontrovertible evidence that T. V. A. is hamstringing and destroying their vital interests. What utter irony. The New Deal professes the deepest concern for coal and the railroads and for the millions of men who depend upon these two industries for their bread and butter. But here is T. V. A., white knight of the New Dealers, ostensibly riding down the power-trust dragon, but actually grinding two of the Nation's sickest industries into the dust.

To complete this picture of irony, I want to remind the gentleman from Mississippi, who is so fond of T. V. A. statistics, where the power so far produced by T. V. A. is going. He would sell this Frankenstein to us in Indiana as saviour of the small power user. But while he is rendering lip service to the common man, his T. V. A. is selling only one-sixth of its total output directly to the private users, through municipalities and power cooperatives. It is charging those private users up to three times the rates which it collects from such large corporations as the Aluminum Corporation, the Victor Chemical Company, and the Monsanto Chemical Corporation.

I repeat that the people of Indiana and the Nation may have socialized power if they want it. Before they order it, however, I earnestly hope that the "yardstick" myth will be exploded. I hope it will be revealed for exactly what it is—simply another New Deal hoax. I hope they will recognize the ardent gentleman from Mississippi as one of the most sincere, but most completely self-deluded goldbrick salesmen who ever tried to capitalize the people's gullibility.

The T. V. A. is purely a creature of this Congress. But already it defies this body. It orders its own destiny. With the aid of a social-minded President, it fires a director who cries for intelligent administration and honesty of purpose. With complete immunity it defies the General Accounting Office and ignores the Federal Power Commission. This thing is literally a Frankenstein, and the House wisely recognized that fact in its amendments to the Norris bill. We cannot destroy T. V. A., except at unthinkable expense. But we can confine it. We can also define and clarify the issues of power socialization here and now, clearly. In fact, we can reasonably do nothing less. I do not want this monster T. V. A. to enter the fair State of Indiana and wreak the havoc that has followed in its wake in the South.

I hope that the House will reject any concessions from the policy this body has already outlined in its amendments. I urge that we reject the report of the conferees and insist upon the amendments previously approved.

[Here the gavel fell.]

Mr. SHORT. Mr. Speaker, I yield the gentleman 1 additional minute and, if he will permit, I would like to ask the gentleman a question.

Is not the House put in a rather ludicrous position because our conferees refused to accept the Senate amendments, the Senate conferees refused to accept the House amendments, and so Mr. Wilhoit, Mr. Willkie, and Mr. Krug got together and wrote a new bill and handed it to us, and that is the measure before us today?

Mr. HARNESS. That is precisely what we are considering today.

Mr. MAY. Mr. Speaker, if the gentleman will permit, I do not think that is a fair statement. They made a suggestion of what they would like to have done, but it was not done exactly as they said, and I wrote the bill that was finally agreed upon, along with the legislative counsel of the House of Representatives.

Mr. HARNESS. I have the highest regard and the utmost confidence in the chairman of my committee, but I cannot agree with him on this capitulation to the conferees of the Senate.

Mr. SHORT. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON. Mr. Speaker, when the House recently had under consideration Senate bill 1796 it added seven important and far-reaching provisions. The reaction of the press and the public to the action of the House was exceedingly favorable. Some considered the House amendments to be the most constructive legislation passed at this session of Congress, and the prediction was made that if they became law they would go a long way toward a revival of confidence in private industry.

An examination of the House conference report indicates that a majority of the conferees recommend that virtually all of these amendments be now discarded. It is agreed that the bond limitation be fixed at \$61,500,000 instead of \$100,000,000, and that the funds be definitely earmarked. This was a necessary change as there was no evidence offered that the entire \$100,000,000 was needed. This was an accomplishment, of course, but it was by no means the most important amendment suggested by the House. We find that the conferees recommend that we cast aside the following vital amendments: First, that the bonds be guaranteed by T. V. A. and not by the Federal Government; second, that all expenditures of T. V. A. be accounted for through the Comptroller General; third, that the area of operation be limited to the Tennessee watershed and some adjacent territory; and, fourth, that a sinking fund be set up sufficient to pay off these bonds as well as the cost of improvements heretofore allocated exclusively for electric-power purposes.

In the limited time I have I shall address my remarks only to the latter amendment. The House will recall that this amendment required two things: First, it required T. V. A. to maintain a sinking fund into which should be paid each year, out of earnings, an amount sufficient to pay off both principal and interest on the bonds issued under this act as the same become due; second, it required T. V. A. to issue a bond or bonds to the Secretary of the Treasury in an amount equal to the total cost of that part of the T. V. A. investment allocated for the development of electric power, and it required that T. V. A. pay out of its earnings an amount sufficient to pay the interest but not the principal of such bonds.

The purpose of this provision was obvious. All of the money derived from the sale of bonds authorized by this act can be used for the acquisition of electric-power property, and will, of course, inure to the benefit of electric-power consumers. Of the amounts heretofore appropriated for T. V. A. 38.1 percent has been allocated by the Authority itself for power purposes, and the remainder for flood defense and navigation. As it is estimated that approximately \$505,000,000, exclusive of the bonds included in this bill, will be spent for T. V. A. by the time it is completed, it follows, under this allocation, that about \$192,000,000 will have been allocated for power purposes alone. Adding the bonds authorized by this act we have a total of approximately \$254,000,000 for power purposes.

At only 2 percent the interest charges alone will amount to slightly more than \$5,000,000 a year. If the \$61,500,000 in bonds authorized by this act should be paid off in 50 years, more than a million dollars a year additional would be added to the sinking fund. In other words, if the amendment adopted by this House should become law, slightly more than \$6,000,000 per year must be placed in a sinking fund out of the earnings of T. V. A. If this amendment, which has been

rejected by the conferees, does not become law, taxpayers and States which cannot possibly receive any benefits through the use of T. V. A. power must pay the greater part of the bill. There is nothing in the present law which will compel the paying of a single dollar of any of these amounts out of earnings. There is likewise nothing in the present law which prevents T. V. A. from using its earnings for the building of additional transmission lines and continuing the same kind of destructive competition which forced the Tennessee Electric Power Co. to sell out to T. V. A. The unwillingness of T. V. A. proponents to agree to the amendment adopted by this House requiring the bonds authorized by this act to be guaranteed by T. V. A. instead of being unconditionally guaranteed by the Government itself is compelling evidence that T. V. A. does not want to assume this responsibility. If the conference report is adopted we will place the responsibility upon the taxpayers, most of whom can never be benefited by T. V. A., and many of whom are yet unborn.

According to testimony presented to the T. V. A. subcommittee, the earnings of T. V. A. through the sale of electric power should be in the neighborhood of \$4,000,000 per year, and may be as high as \$7,000,000 a year after the acquisition of the properties of the Tennessee Electric Power Co. No sound reason can be advanced why these earnings should not be used to pay off the principal and interest on the bonds T. V. A. is now requesting. Nor can any reason be given consistent with good business practices why T. V. A.'s earnings should not be used to pay interest upon the huge amount which has already been appropriated and spent solely for electric-power facilities. If the earnings are insufficient for these purposes, the electric-power rates should be increased. Nothing could be more manifestly unfair than to expect that those who receive no benefits should pay the bill or any part of it. I cannot believe that those who receive the benefits expect this. In fact, they have indicated that they do not want the remainder of the country to pay for benefits which belong exclusively to them.

There is another reason why T. V. A. does not want this amendment. If the earnings of T. V. A. do not have to be used for any of these purposes, and if Congress will continue to appropriate and the credit of the Federal Government will continue to be extended, T. V. A. can obtain the kind of yardstick it desires for electric-power rates so that it may contrast its low electric-power rates with those fixed by private utilities throughout the country. What T. V. A. fails to disclose on such occasions is that all of the taxpayers, whether they receive any benefits or not, are making these low rates possible through their own contributions. Under the present law this fictitious yardstick may continue its existence. Under the amendment to which I have been referring it would not be possible. The amendment requiring a sinking fund would apply a yardstick, but it would be a yardstick applied by Congress to T. V. A. and not by T. V. A.—it would be a yardstick of sound business principles and not one of fiction and deception. [Applause.]

Mr. THOMASON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. THOMASON. Mr. Speaker, the gentleman from Ohio [Mr. HARTER] and I, as two of the conferees on this bill, would like to know if all the time has been consumed on our side.

The SPEAKER. The gentleman from Kentucky used 20 minutes and, as the Chair understood, yielded the remainder of the time to the gentleman from Missouri. Is this a correct statement of the attitude of the chairman of the committee?

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. I intended, when I started out to explain the report, to ask the Speaker to remind me when I had used 15 minutes, but I forgot it. I used the time inadvertently, but the gentleman from Texas came to me on the floor of the House before I started to speak and said if there was not any fight or any opposition particularly to the report he did not want to speak on it.

Mr. THOMASON. That is exactly right; but when I find that not one friend of T. V. A. has had 1 minute of time, and all has been criticism and apology, it seems to me high time that two conferees on this conference committee, that has had many long sessions during the last month, should be entitled to a few minutes of time and at least say a few kind words in favor of the report. There has not been one friend of T. V. A. who has had 1 minute of time. What is the use of being conferees on a committee, if that is the treatment we are to receive? I am not criticizing; I am only asking for fair treatment.

Mr. MAY. Mr. Speaker, if the gentleman insists on it, I will retain the 2 minutes to tell all that was said about it—if we have to have a scrap here.

Mr. THOMASON. I am not looking for a scrap. I am asking only for fair treatment for two conferees who were promised time in the event there was a contest on the report, and that is all we have heard—criticism or apology for the entire report. My friendship, however, for the chairman causes me to accept his explanation. I am only asking for my rights.

The SPEAKER. The matter is not within the control of the Chair.

COMMITTEE ON BANKING AND CURRENCY

Mr. SACKS. Mr. Speaker, on behalf of the chairman and ranking minority member of the Committee on Banking and Currency, I ask unanimous consent that the Committee on Banking and Currency be allowed to sit during sessions of the House this afternoon.

There was no objection.

AMENDMENTS TO TENNESSEE VALLEY AUTHORITY ACT—CONFERENCE REPORT

Mr. SHORT. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Speaker, this bill concerning the Tennessee Valley Authority came before the House for action on June 13, 1939, after hearings extending over several weeks. Under the present law the T. V. A. has the right to issue \$50,000,000 in bonds for the construction of dams, steam plants, or other facilities for the generation or transmission of electric power, but it does not have the right to acquire by purchase existing dams and steam plants now in private ownership. If this report is accepted, we will give that right to a Government agency for the first time, establishing a most dangerous precedent. The T. V. A. also has the power to issue another \$50,000,000 in bonds for loans to municipalities on a repayment-in-full basis. This provision, now to be eliminated, is of little value, inasmuch as P. W. A. and other Government agencies offer better terms for such loans. The T. V. A. would not be here if they were not gaining \$11,500,000 for their use. They lose exactly that amount if the present law continues.

In lengthy hearings it was brought out that the T. V. A. would not submit to any limitation of the area in which it should operate; that it would not establish a sinking fund for its \$230,000,000 capital expenditures; that it refused to allow the Congress, at the same time that a contract involving more than \$78,000,000 was being entered into, to determine in what manner local taxes, lost to municipalities through the acquisition of private properties by the Federal Government, would be taken care of. Many leading citizens of the area affected appeared as witnesses and beseeched us to settle this issue at the only proper time for its consideration, namely, at the time the contract was to be signed—right now. One of the leading witnesses who strongly urged this action was our colleague, Mr. WELCH, of Georgia.

Let us consider the tax situation. The hearings disclosed that the T. V. A. now has contracted to sell on a 20-year basis to some of the largest corporations in the United States enormous quantities of power annually at the price of waste power. It has contracted to sell a very large amount of power to various municipalities on other 20-year contracts at such low prices that for the amount of electricity for which the private utilities now receive \$16,000,000 the ultimate consumers will pay less than \$12,000,000 under this new deal,

representing a saving to them of \$4,000,000. This is practically offset by a loss of \$3,512,000 in taxes, due to Federal rather than private ownership. If this loss has to be made up locally, the consumers will have done little more than change the name of its power supplier. The hearings disclose, and it was admitted in debate on this floor, that if the T. V. A. makes good this loss in taxes to communities, to counties, and to States involved, the money must come from general funds in the United States Treasury. That means that all persons in every community outside the area in which the T. V. A. operates will contribute to the cheap power enjoyed by the people and great corporations served by the T. V. A. Are they going to be called upon to pay somebody else's electricity bill? On page 85 of the hearings, Gov. Prentice Cooper, of Tennessee, stated, and I quote:

We understood only that the Tennessee Valley Authority was willing to cooperate in an equitable adjustment of the tax situation. We did not fear that agency, because we relied on their sincerity and good faith in their presentations which they have given us in writing, that they will replace the lost taxes. We favor it and believe it will comply with their statement.

The House on June 13 said, 192 to 167, that the consumers must pay these lost taxes. This conference agreement permits the T. V. A. to add these taxes to the burdens of your people and mine. It provides unfair competition for every manufacturer outside that area.

Chairman MAY was absolutely correct when he said in his speech on this bill at that time that, "Men on the floor of this House cry out for cheap electricity and a yardstick that is a liar at one end, a thief at the other, and rubber in the middle. I will tell you why it is a liar. It goes out and represents to the public that they are producing electricity and giving it to the people at a profit and that it is not being sold below cost." Yet, the sale price of electricity by the T. V. A. does not include provision for taxes to be paid to local communities by the T. V. A., though Governor Cooper, of Tennessee, has their promise in writing to pay such taxes.

In my considered opinion the T. V. A. has come before this House making this request in a spirit of deception. Its officers have told our committee that they will destroy the Tennessee Electric Power Co. through unfair competition if this bill is not passed in exactly the form that they want it. We are told that that would result in untold suffering to the widows and orphans who own the bonds of these private utility companies. To save these widows, we must wrong the widows who own the bonds of the counties and school districts which are about to lose the private companies' taxes. To save the latter widows the T. V. A. will ask that the United States Treasury pay these lost taxes. I believe that this is the time when the House should assert its control over the operations of the T. V. A., and particularly over the tax question.

Every newspaper in the United States spoke in glowing terms of the action of the House when it passed this bill with its limitations upon the area of operations of the T. V. A. It is sufficient to call attention to the words of the great democratic New York Times. I quote:

Nothing that the House has done so far this session ought to bring more reassurance to business than the bill it has passed to control the Tennessee Valley Authority. These changes, if the Senate can be got to agree to them, will go far toward restoring public confidence in the future of the electric utility industry. They will do much to make certain that T. V. A. charges rates sufficient to pay for its investment.

I hope that every Congressman living outside of this area will have in mind the unbearable burden of taxes already placed upon his constituents, and by his vote today will prevent the saddling of additional taxes upon their shoulders for the sole purpose of providing the customers of T. V. A. with electricity below cost. The House should not adopt this report. [Applause.]

Mr. SHORT. Mr. Speaker, if I have control of the 2 minutes of time yielded to me by the gentleman from Kentucky, I should be very glad to yield them to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. That is very good of the gentleman but I do not want to take time that perhaps he has agreed to give someone else.

Mr. SHORT. No. I yield 2 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, anything I have to say will be said in all kindness and deference and without criticism of the chairman of my committee. All I am interested in is the question of fair play and fair consideration of this conference report, because as one of the conferees I sat for a good many hours on a good many days in an effort to work out a solution of this very complicated question, as likewise did the gentleman from Ohio [Mr. HARTER]. So I say without any word of criticism of anybody, because as others have said, I entertain the highest feeling of personal friendship and respect for my chairman; but the thing that impressed itself on me was the fact that our chairman, who is always frank, evidenced his bitter animosity to everything connected with the T. V. A., and speaks for the report with apologies, and then every other speaker has come from the Republican side and, of course, they are bitter in their denunciation of everything affecting the T. V. A. I happen to be a friend of the T. V. A., because I regard it, although some mistakes have been made, as one of the most constructive things ever undertaken by any government; and I saw some evidence of that yesterday, when we were down at Chattanooga attending the funeral of our devoted friend Judge McReynolds, at which time we had opportunity to see what T. V. A. has done in the way of bringing happiness and prosperity to the people of the Tennessee Valley. It is rebuilding a small empire and restoring hope to many discouraged people. It has been a great experiment in government, and I say that it is worth all that it has cost. There is but one question involved in this report, and that is, Do you want to see this trade go through?—which will do the very thing that my good friends, Mr. JENKINS of Ohio and Mr. WOLVERTON of New Jersey, recommended in their report of the investigation last fall, and that is to cut out ruthless competition. I do not claim any special credit for it myself; but it can be truly said, if the House adopts this conference report, that it has marched up the hill and marched down again, because the only thing of a material nature in this report that differs from the Senate bill is a reduction in the amount from one hundred million to sixty-one and a half million. Let there be no misunderstanding. The House is receding on everything of any importance except the amount. I feel sure a large majority of the membership will realize the mistake made in voting for many of the provisions of the House bill and now vote for the adoption of the conference report.

Mr. SHORT. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. HARTER].

Mr. HARTER of Ohio. Mr. Speaker, the conference report that has been brought in here is the result of many hours of hard work on the part of those who are managers on the part of the House. While we were not able to retain in the bill all of the provisions of the House measure, I believe that the bill on the whole is one which should be adopted; that it limits, as some of us desire, the spreading of the Tennessee Valley Authority all over the eastern section of the country, and at the same time it disposes of the ruthless competition which has been going on in that area, and implements the sale and does the very thing which the opponents of the T. V. A. have advocated for some time, namely, permits the purchase of the facilities of the private power company. I believe it is a measure which can be conscientiously supported by the membership of this House.

Mr. SHORT. Mr. Speaker, I yield the remaining 6 minutes of time to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, we are now approaching the conclusion of a very important piece of legislation. If this conference report is adopted, the legislation is practically finished. If it is not adopted, we have yet a chance to do what should be done. About a week or 10 days ago this House was engaged in a strenuous contest over this very important measure. The Senate had passed a bill known as the Norris

T. V. A. bill, providing for an appropriation of an additional hundred million dollars to the T. V. A. to be used to purchase certain competing electric lines in the T. V. A. territory.

The Military Affairs Committee of the House, after long and careful consideration, rejected the Senate's entire proposition and substituted in lieu thereof a measure which passed the House by a very substantial majority. The newspapers of the country were strong in their praise of the action of the House at that time. Many of them went so far as to say that that legislation marked the high tide of statesmanship and independent thinking that had been demonstrated up to that time in this session of Congress. When the smoke of battle had cleared away in the consideration of that case the action of the Military Affairs Committee was ratified by an overwhelming vote.

The bill offered by the Military Affairs Committee and passed by the House contained several very strong and statesmanlike provisions.

In the first place, it provided that the T. V. A. activities should be limited within certain geographical boundaries. The original T. V. A. Act indicates that that agency is to carry on its activities only within the Tennessee Valley. It has long since ignored this legal restriction as provided in the law and has extended its tentacles out far beyond the Tennessee Valley in many places. This gigantic octopus stretches across half a dozen States of the Southland, brooks no opposition, caring nothing for State lines or State jurisdictions. It seeks to dominate politically and socially and to crush all opposition and to ride ruthlessly across the land. It is time that its activities should be curbed. [Applause.]

Another provision in this bill as passed by the House is the one that would require the bonds issued under this bill to be repaid by the T. V. A. This was a very proper provision. T. V. A. boasts and brags about its low rates, which are largely a fake. If they are genuine, let the people who receive the benefit of them pay these bonds that we are about to issue under the provisions of the bill.

The bill passed by the House carried another very important provision, which was that this agency should submit its accounts to the scrutiny and examination of the General Accounting Office of the Government. This agency ought not to be treated any different than any other agency of the Government. It has defied the General Accounting Office and defied the Government itself. It should be restricted.

In spite of the fact that these three important provisions were embodied and carried in the bill which the House passed overwhelmingly a few days ago, the conferees have omitted all these provisions from the bill that is now before you. In other words, they have surrendered and their surrender has been and will always be a matter for which they cannot claim much credit and be especially proud. It is a sad fact that on so many occasions the House speaks by an overwhelming voice and vote only to have our conferees quail before the Senate and come back to us with an empty husk. This is a very unwise and unfair provision of our legislative procedure. When the House has rejected a Senate measure, why, then, should the House conferees knuckle to the Senate conferees and bring back to us for consideration something that we overwhelmingly defeated a few days previously?

This bill before us today is neither the work of the Senate nor the House. The House struck out the Senate provisions and the conferees have stricken out the House provisions and substituted their own provisions. In effect, a small group of five or six have taken the place of the Senate and the House, and we must now accept their judgment instead of our own. I for one shall refuse to do so.

Let us now consider just what the situation is that confronts us. We are called upon to vote for or against this conference report. Since it is almost completely opposite to what the House has heretofore done, it would seem that we should make short shrift of it and vote against it. If we do, what will happen? Let not your heart be troubled. A vote against this conference report will not be an unusual procedure. It has been done many times. If we do it today we will show the other body that we stand today as we did a few days ago. It will show them that our bill was right and that

we still maintain that we were right. A vote for this bill will not in any way cast any reflection upon my distinguished friend the gentleman from Kentucky [Mr. MAY]. It will not in any way reflect upon the standing of my colleague the gentleman from Ohio [Mr. HARTER], or upon my good friend the gentleman from Texas [Mr. THOMASON].

I would have you understand, however, that if any of us do change front from the position you took a few days ago on these propositions, you can find no comfort in this conference report. Let no man be misled as to this proposition. Any man who voted for the May amendment a few days ago cannot logically justify his position if he votes for this conference report. It will be little consolation to you who come from coal-mining sections to go back and say to the miners who are much interested in this proposition that you voted for their best interests, after the gentleman from Kentucky [Mr. MAY] himself has said many times on this floor that the activities of the T. V. A. are not for the benefit of the coal industry of the land. This \$61,000,000 that is provided in this bill will not benefit the coal miners of his section.

The territorial restriction on the activities of the T. V. A. should have been retained in this bill. This agency should be kept in its own field. The bill we passed a few days ago would have kept it in its own field. This bill we are considering now puts down the bars and allows it to run wild without any territorial restriction of any kind. Do not be mistaken in this respect.

As I have already stated the bill we passed a few days ago provided in effect that all the bonds issued under the terms of this bill should be repaid by the T. V. A. from its profits. None of it should be paid by the Government. That was a very proper provision because it is not right that the people of Ohio and New York and Michigan and Montana should be compelled to pay for the electricity consumed by the people in this territory when they claim that they have such cheap rates. If they want the T. V. A. now that they have gotten it they ought to make it pay for itself. If the Government donates six or seven hundred million dollars to build the projects for them they surely ought to be able to run it. It is a sorry pass that the Government must build the projects for them, and then must put the electricity in their houses and pay for a portion of that.

Already the people in the Tennessee Valley have begun to realize that the honeymoon of the T. V. A. is about over. They are staggering under the burden of additional taxation that has resulted by reason of the failure of the T. V. A. to pay taxes on the million acres of the finest land in that section that they have taken and flooded with water. When the T. V. A. buys the properties of the Tennessee Power Co. and the other associated properties and takes them off the tax duplicates these States will lose another substantial tax contribution which the people will have to make up in some other way. They will be clamoring for the Federal Government to pay the taxes which they have lost by reason of this gigantic, unwieldy, unconstitutional, and unnecessary New Deal experiment.

I repeat that the T. V. A. should be restricted in its territorial activities; that it should pay for these bonds that are going to be issued under this bond issue because these bonds will be used to purchase these competing properties which will be turned over to the T. V. A. The T. V. A. gets the properties; let the T. V. A. pay for them. I repeat that the T. V. A. should be subjected to rigid accounting the same as any other Governmental activity.

There is another proposition, however, that I wish to discuss with you. It is this: If you vote today to purchase these properties for \$61,500,000 and turn the same over to the T. V. A., why should you not be ready to vote to purchase the properties of other power companies operating in the Southland and in the T. V. A. section? You will most surely be expected to do that next year or the year following. They will come back here and clamor for recognition, and you will in good conscience be compelled to give it to them. If you buy this property today, you will go that much further in rendering the properties of other power companies in the Southland less valuable. When you start

on this program today, you cannot in good conscience stop until you have purchased every power company in the Southland east of the Mississippi River and south of the Ohio River. Already the T. V. A. is knocking at the doors of Birmingham and Atlanta. It is already well down in Mississippi and will soon reach over into Louisiana. From Birmingham and Georgia it is only a short distance into Florida. But why follow the power company too far into the deep South? Let us come back up into the territory of the gentleman from Kentucky [Mr. May]. When the Gilbertsville Dam is finished it will be more expensive by far than any of the T. V. A. dams. It will represent an outlay of approximately 150 millions of dollars. It will cost more than three times as much as the great Norris Dam or the Hiwassee or the other large and beautiful dams already partially constructed. These other dams will furnish enough power to meet the demands in their sections, and that will leave Gilbertsville located within a few miles of the Ohio River, free access to carry its current into St. Louis, Mo., and Springfield, Ill., and Indianapolis, Ind., and Cincinnati, Ohio.

It is to this proposition that I wish to direct your special attention. The minority report of the committee that was appointed by this Congress to investigate the T. V. A. activities makes recommendations that naturally I think are sound and reasonable since I had some small part in drafting them. I agree with this minority report, which states in effect, that the best way to dispose of the Tennessee Valley Authority and its numerous activities is not to do anything that would tend to destroy these beautiful and terrifically expensive dams and lakes and other numerous improvements of various kinds, but on the contrary to take those that have been finished, and finish those upon which any substantial amount of work has been done, but to discontinue work on the other projects at this time. This report further recommends that the Government refrain from going further into the power business in competition with private power companies who maintain a fair, adequate, and reasonable service. We recommend that when these dams are completed that they be used for the manufacture of power and that this power be sold at wholesale at the dam to whomsoever might want it; sold at a reasonable price so that it might be delivered to the people of the Southland at a reasonable price by the power companies regardless of whether it is the same price that may obtain in some other sections of the country. If those sections would, when proper consideration is given to all necessary costs of production, be entitled to cheaper rates than some other section they should have them. The Government should not put itself in the power business in competition with other producing companies and thereby destroy the investment of the competing companies. Instead of voting this sixty-one million five hundred thousand to purchase these existing companies we should be taking steps to withdraw from competition so that these companies could continue to operate and thereby employ their own people and pay their investors whatever sum they could legitimately earn in fair competition with other power companies.

I am afraid that many of our Members today will vote directly opposite to their own philosophy. Their philosophy is to keep the Government out of the power business, but when they vote today they are putting the Government much further into the power business. They are not only putting the Government into the T. V. A. business, but they are putting the Government into the power business now operated by these competing companies. To me this is the most important phase of what we are doing here today. I am afraid that some of you who have opposed the extension of the T. V. A. will find out to your sorrow that you have placed yourself in a very inconsistent position. You cannot be consistent in your claim that you want to keep the Government out of business and at the same time vote \$61,500,000 with which the Government is to buy several large producing power companies.

Mr. Speaker, I hope that we will all appreciate what we are about to do. I hope that you will stand as you stood last week and vote down this conference report and send these

various splendid conferees back for further conference with the Senate and I further hope that they will bring back to us a bill that correctly represents the philosophy of a strong majority of this House as it was reflected last week when we had ample opportunity to consider this most important proposition. [Applause.]

The SPEAKER. The question is on agreeing to the conference report.

Mr. SHORT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 145, answered "present" 1, not voting 74, as follows:

[Roll No. 129]

YEAS—208

Allen, La.	Doughton	Kerr	Rankin
Allen, Pa.	Doxey	Kilday	Rayburn
Angell	Drewry	Kitchens	Reece, Tenn.
Arnold	Duncan	Kleberg	Robinson, Utah
Barden	Dunn	Kocialkowski	Rogers, Okla.
Barry	Durham	Lanham	Romjue
Bates, Ky.	Eberharter	Larrabee	Ryan
Beckworth	Elliott	Lea	Sabath
Bland	Ellis	Leavy	Sacks
Bloom	Evans	Lemke	Sasser
Boehne	Flaherty	Lesinski	Satterfield
Boland	Flannagan	Lewis, Colo.	Schulte
Boykin	Folger	Ludlow	Scruggam
Bradley, Pa.	Ford, Miss.	McAndrews	Secrest
Brooks	Ford, Thomas F.	McArdle	Shanley
Brown, Ga.	Fulmer	McCormack	Sheppard
Bryson	Garrett	McGehee	Sirovich
Buck	Gathings	McKeough	Smith, Conn.
Buckler, Minn.	Gavagan	McLaughlin	Smith, Ill.
Bulwinkle	Gearhart	McMillan, John L.	Smith, Va.
Burch	Gehrmann	Mahon	Smith, Wash.
Burdick	Geyer, Calif.	Maloney	Snyder
Burgin	Gibbs	Mansfield	South
Byrns, Tenn.	Gore	Marcanonio	Sparkman
Byron	Gossett	Martin, Colo.	Spence
Caldwell	Green	Massingale	Starnes, Ala.
Cannon, Fla.	Gregory	May	Stegall
Cannon, Mo.	Griffith	Mills, Ark.	Stefan
Cartwright	Harrington	Mills, La.	Sumner, Ill.
Celler	Hart	Monroney	Tarver
Chapman	Harter, Ohio	Murdock, Utah	Taylor, Colo.
Clark	Havenner	Myers	Taylor, Tenn.
Cochran	Healey	Nelson	Tenerowicz
Coffee, Nebr.	Hendricks	Nichols	Terry
Cole, Md.	Hill	Norrell	Thomas, Tex.
Colmer	Hobbs	O'Connor	Thomason
Cooley	Hook	O'Day	Tolan
Cooper	Houston	O'Leary	Vinson, Ga.
Costello	Hull	Oliver	Voorhis, Calif.
Courtney	Hunter	O'Neal	Wallgren
Cox	Izac	Pace	Walter
Creal	Jacobsen	Patman	Ward
Crosser	Jarman	Patrick	Warren
Cullen	Johnson, Luther A.	Patton	Weaver
Cummings	Johnson, Lyndon	Pearson	Welch
D'Alesandro	Johnson, Okla.	Peterson, Fla.	West
Darden	Johnson, W. Va.	Peterson, Ga.	White, Idaho
Delaney	Jones, Tex.	Pierce, Oreg.	Whittington
Dempsey	Keller	Poage	Williams, Mo.
DeRouen	Kennedy, Martin	Polk	Wolverton, N. J.
Dingell	Kennedy, Michael	Rabaut	Wood
Disney	Keogh	Ramspeck	Zimmerman

NAYS—145

Alexander	Darrow	Hope	Mott
Allen, Ill.	Dirksen	Horton	Mundt
Andersen, H. Carl	Ditter	Jarrett	Murray
Anderson, Calif.	Dondero	Jenks, N. H.	O'Brien
Andresen, A. H.	Dowell	Jenkins, Ohio	Parsons
Arends	Dworshak	Jensen	Pierce, N. Y.
Austin	Elston	Johnson, Ill.	Pittenger
Barnes	Engel	Johnson, Ind.	Plumley
Barton	Englebright	Jones, Ohio	Powers
Bates, Mass.	Fenton	Kean	Randolph
Beam	Ford, Leland M.	Keefe	Reed, Ill.
Bell	Gamble	Kinzer	Reed, N. Y.
Bender	Gartner	Knutson	Rees, Kans.
Blackney	Gifford	Kunkel	Rich
Bolles	Gilchrist	Lambertson	Risk
Boren	Gillie	Landis	Robertson
Brown, Ohio	Graham	LeCompte	Robison, Ky.
Carlson	Gross	Lewis, Ohio	Rodgers, Pa.
Carter	Guyer, Kans.	Luce	Rogers, Mass.
Case, S. Dak.	Gwynne	McDowell	Routzohn
Chaperfield	Hall	McLeod	Rutherford
Church	Halleck	Mapes	Sandager
Clason	Harness	Marshall	Schaefer, Ill.
Clevenger	Harter, N. Y.	Martin, Ill.	Schafer, Wis.
Cole, N. Y.	Hawks	Martin, Iowa	Schiffler
Corbett	Heinke	Martin, Mass.	Schuetz
Crawford	Hess	Mason	Secombe
Crowther	Hinshaw	Michener	Seger
Culkin	Hoffman	Monkiewicz	Short
Curtis	Holmes	Moser	Simpson

Smith, Maine	Thill	Vreeland	Wolcott
Smith, W. Va.	Thorkelson	Wadsworth	Wolfenden, Pa.
Springer	Tibbott	Wheat	Woodruff, Mich.
Stearns, N. H.	Tinkham	Wheelchel	Youngdahl
Sutphin	Treadway	Wigglesworth	
Taber	Van Zandt	Williams, Del.	
Talle	Vorys, Ohio	Winter	

ANSWERED "PRESENT"—1

Faddis

NOT VOTING—74

Anderson, Mo.	Dies	Jeffries	Osners
Andrews	Douglas	Johns	O'Toole
Ashbrook	Eaton, Calif.	Kee	Pfeifer
Ball	Eaton, N. J.	Kelly	Richards
Bolton	Edmiston	Kennedy, Md.	Rockefeller
Bradley, Mich.	Fay	Kirwan	Schwert
Brewster	Ferguson	Kramer	Shafer, Mich.
Buckley, N. Y.	Fernandez	McGranery	Shannon
Byrne, N. Y.	Fish	McLean	Smith, Ohio
Casey, Mass.	Fitzpatrick	McMillan, Thos. S.	Somers, N. Y.
Chandler	Flannery	Maas	Sullivan
Claypool	Fries	Maclejewski	Summers, Tex.
Cluett	Gerlach	Magnuson	Sweeney
Coffee, Wash.	Grant, Ala.	Merritt	Thomas, N. J.
Collins	Grant, Ind.	Miller	Vincent, Ky.
Connery	Hancock	Mitchell	White, Ohio
Crowe	Hare	Mouton	Woodrum, Va.
Curley	Hartley	Murdock, Ariz.	
Dickstein	Hennings	Norton	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Faddis (for) with Mr. Andrews (against).
 Mr. Chandler (for) with Mr. Shafer of Michigan (against).
 Mr. Fay (for) with Mr. Miller (against).
 Mr. Vincent of Kentucky (for) with Mr. Hancock (against).
 Mr. Sullivan (for) with Mr. Ball (against).
 Mr. Coffee of Washington (for) with Mr. Douglas (against).
 Mr. Ferguson (for) with Mr. Bolton (against).
 Mr. Merritt (for) with Mr. Hartley (against).
 Mr. Schwert (for) with Mr. Smith of Ohio (against).
 Mr. Fernandez (for) with Mr. Cluett (against).
 Mr. Pfeifer (for) with Mr. Eaton of New Jersey (against).
 Mr. Byrne of New York (for) with Mr. White of Ohio (against).
 Mr. Mouton (for) with Mr. Thomas of New Jersey (against).
 Mr. Buckley of New York (for) with Mr. Osners (against).
 Mr. Somers of New York (for) with Mr. McLean (against).
 Mr. O'Toole (for) with Mr. Jeffries (against).
 Mr. Fitzpatrick (for) with Mr. Bradley of Michigan (against).
 Mr. Curley (for) with Mr. Grant of Indiana (against).

General pairs:

Mr. Woodrum of Virginia with Mr. Brewster.
 Mr. Thomas S. McMillan with Mr. Fish.
 Mr. Collins with Mr. Eaton of California.
 Mr. Hare with Mr. Gerlach.
 Mr. Richards with Mr. Johns.
 Mr. Dies with Mr. Maas.
 Mr. Grant of Alabama with Mr. Rockefeller.
 Mr. Summers of Texas with Mr. Crowe.
 Mr. Murdock of Arizona with Mr. Casey of Massachusetts.
 Mr. Kelly with Mr. Magnuson.
 Mrs. Norton with Mr. Kirwan.
 Mr. Kramer with Mr. Flannery.
 Mr. Hennings with Mr. Sweeney.
 Mr. Kennedy of Maryland with Mr. Anderson of Missouri.
 Mr. Claypool with Mr. McGranery.
 Mr. Edmiston with Mr. Connery.
 Mr. Fries with Mr. Kee.

Mr. FADDIS. Mr. Speaker, I have an active pair with the gentleman from New York, Mr. ANDREWS, one of the conferees. I desire to withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

EXTENSION OF REMARKS

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a short press release of the National Coal Association and a short editorial, to be printed in the RECORD in connection with my remarks made today.

The SPEAKER. Without objection, it is so ordered.
 There was no objection.

AMENDMENTS OF SECOND LIBERTY BOND ACT

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5748) entitled "An act to amend the Second Liberty Bond Act as amended," with Senate amendments and disagree to the Senate amendments.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, that eliminates the T. V. A. proposal?

Mr. DOUGHTON. Since the T. V. A. conference report has been agreed to, it makes this provision in this bill unnecessary.

Mr. RICH. Mr. Speaker, reserving the right to object, can the gentleman from North Carolina tell us when we may expect the majority side to propose an amendment eliminating the tax-free covenant from Government bonds?

Mr. DOUGHTON. Just as soon as we reasonably and conscientiously can.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

The Clerk will notify the Senate of the disagreement of the House to the Senate amendments.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—PEACE AND NEUTRALITY LEGISLATION (S. DOC. NO. 94)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I am advised that by a vote of 12 to 11 the Senate Committee on Foreign Relations has deferred action on peace and neutrality legislation until the next session of the Congress.

I am appending hereto a statement from the Secretary of State which has my full approval, and which I trust will receive your earnest attention.

It has been abundantly clear to me for some time that for the cause of peace and in the interest of American neutrality and security, it is highly advisable that the Congress at this session should take certain much-needed action. In the light of present world conditions, I see no reason to change that opinion.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 14, 1939.

STATEMENT ON PEACE AND NEUTRALITY BY THE SECRETARY OF STATE

The cornerstone of the foreign policy of the United States is the preservation of the peace and security of our Nation, the strengthening of international law, and the revitalization of international good faith. The foreign policy of this Government may be misinterpreted or it may be misunderstood, but it cannot be destroyed. Peace is so precious and war so devastating that the people of the United States and their Government must not fail to make their just and legitimate contribution to the preservation of peace.

The Congress has pending before it at the present time certain proposals providing for the amendment of the existing so-called neutrality legislation. Some of these proposed changes I regard as necessary to promote the peace and security of the United States.

There is an astonishing amount of confusion and misunderstanding as regards the legislation under consideration, and particularly with regard to the operation of the existing arms embargo.

I shall try to bring out as clearly as I can the important points of agreement and disagreement between those who support the principles contained in the six-point peace and neutrality program recommended by the executive branch of the Government and those who oppose these recommendations.

In substance and in principle both sides of the discussion agree on the following points:

1. Both sides agree that the first concern of the United States must be its own peace and security.
2. Both sides agree that it should be the policy of this Government to avoid being drawn into wars between other nations.
3. Both sides agree that this Nation should at all times avoid entangling alliances or involvements with other nations.
4. Both sides agree that in the event of foreign wars this Nation should maintain a status of strict neutrality, and that around the structure of neutrality we should so shape our policies as to keep this country from being drawn into war.

On the other hand, the following is the chief essential point of disagreement between those who favor the adoption of the recommendations formulated by the executive branch of the Government and those who are opposing these recommendations:

The proponents, including the executive branch of the Government, at the time when the arms embargo was originally adopted called attention to the fact that its enactment constituted a hazardous departure from the principle of international law which recognizes the right of neutrals to trade with belligerents and of belligerents to trade with neutrals. They believe that neutrality means impartiality, and in their view an arms embargo is directly opposed to the idea of neutrality. It is not humanly possible, by enacting an arms embargo, or by refraining from such enactment,

to hold the scales exactly even between two belligerents. In either case and due to shifting circumstances one belligerent may find itself in a position of relative advantage or disadvantage. The important difference between the two cases is that when such a condition arises in the absence of an arms embargo on our part, no responsibility attaches to this country, whereas in the presence of an embargo, the responsibility of this country for the creation of the condition is inevitably direct and clear.

There is no theory or practice to be found in international law pertaining to neutrality to the effect that the advantages that any particular belligerent might procure through its geographic location, its superiority on land or at sea, or through other circumstances, should be offset by the establishment by neutral nations of embargoes.

The opposition to the present substitute proposal joins issue on this point, and stands for existing rigid embargo as a permanent part of our neutrality policy. And yet by insisting on an arms embargo in time of war they are, to that extent, for the reasons I have stated, urging not neutrality, but what might well result in actual unneutrality, the serious consequences of which no one can predict.

Those who urge the retention of the present embargo continue to advance the view that it will keep this country out of war—thereby misleading the American people to rely upon a false and illogical delusion as a means of keeping out of war.

I say it is illogical, because while the trade in "arms, ammunition, and implements of war" is at present banned, the trade in equally essential war materials, as well as all the essential materials out of which the finished articles are made can continue. For example, in time of war, we can sell cotton for the manufacture of explosives, but not the explosives; we can sell the steel and copper for cannon and for shells but not the cannon nor the shells; we can continue to sell to belligerents the high-powered fuel necessary for the operation of airplanes, but we are not able to sell the airplanes.

I say it is a false delusion because a continuation of the trade in arms is a clearly recognized and traditional right of the nationals of a neutral country in time of war, subject only to effective blockade and to the right of belligerents to treat any such commodities as contraband. The assertion frequently made that this country has ever engaged or may become engaged in serious controversy solely over the fact that its nationals have sold arms to belligerents is misleading and unsupportable. All available evidence is directly to the contrary. Every informed person knows that arms, as absolute contraband, are subject to seizure by a belligerent and that neither the neutral shipper nor his government has the slightest ground for complaint. There is, therefore, no reason to suppose that the sale of arms may lead to serious controversy between a neutral and a belligerent. Furthermore, under the proposals that have been made American nationals would be divested of all right, title, and interest in these and other commodities before they leave our shores and American citizens and ships would be kept out of danger zones. As regards possible complications which might arise as a result of the extension of credits to belligerents or of extraordinary profits accruing to any group of producers in this country, it is wholly within the power of Congress at all times to safeguard the national interest in this respect.

Controversies which would involve the United States are far more likely to arise from the entrance of American ships or American citizens in the danger zones or through the sinking on the high seas of American vessels carrying commodities other than those covered by the arms embargo. In the recommendations formulated by the Executive as a substitute for the present legislation it was especially urged that provisions be adopted which would exclude American nationals and American ships from zones where real danger to their safety might exist and which would divest goods of American ownership, thereby minimizing to the fullest extent the danger of American involvement.

Those of us who support the recommendations formulated for the elimination of the embargo are convinced that the arms embargo plays into the hands of those nations which have taken the lead in building up their fighting power. It works directly against the interests of the peace-loving nations, especially those which do not possess their own munitions plants. It means that if any country is disposed toward conquest, and devotes its energy and resources to establish itself as a superior fighting power, that country may be more tempted to try the fortunes of war if it knows that its less well prepared opponents would be shut off from those supplies which, under every rule of international law, they should be able to buy in all neutral countries, including the United States. It means also that some of those countries which have only limited facilities for the production of arms, ammunition, and implements of war are put in a position of increased dependence. During peacetime they would feel the compulsion of shaping their political as well as their economic policy to suit the military strength of others; and during wartime their powers of defense would be limited.

For these reasons those who are supporting the recommendations for the amendment of existing legislation recognize definitely that the present embargo encourages a general state of war, both in Europe and Asia. Since the present embargo has this effect its results are directly prejudicial to the highest interests and to the peace and to the security of the United States.

In the present grave conditions of international anarchy and of danger to peace, in more than one part of the world, I pro-

foundly believe that the first great step toward safeguarding this Nation from being drawn into war is to use whatever influence it can, compatible with the traditional policy of our country of non-involvement, so as to make less likely the outbreak of a major war. This is a duty placed upon our Government which some may fall to perceive or choose to reject. But it must be clear to every one of us that the outbreak of a general war increases the dangers confronting the United States. This fact cannot be ignored.

I would emphasize that the course proposed through the substitute legislation recommended by the Executive is consistent with the rules of international law and with the policy of our own country over a period of 150 years. The basis for the recommendations made is the firm intention of keeping this country from being drawn into war. If there existed any desire to assist or to injure particular foreign countries this Government would not have been endeavoring persistently, within the limitations of our traditional policy, over a period of many years to do its utmost to avoid the outbreak of a general war. I earnestly hope that the Congress will lend the fullest measure of its cooperation in the endeavor to avoid war in the first place and to place this country in a position of the greatest security possible, should war break out. In the tragic event that peace efforts fail and that a major war occurs, there will be general agreement within the United States that every effort must be exerted to keep this country from being drawn therein.

I must also refer to the impression sedulously created to the effect that the sale of arms, munitions, and implements of war by this country is immoral and that on this ground it should be suppressed in time of war.

As a matter of fact almost all sales of arms and ammunition made in recent years by our nationals have been made to governments whose policies have been dedicated to the maintenance of peace, but who have felt the necessity of creating or of augmenting their means of national self-defense, thereby protecting otherwise helpless men, women, and children in the event that other powers resort to war. In the face of the present universal danger all countries, including our own, feel the necessity of increasing armament, and small countries in particular are dependent upon countries like the United States which have the capacity to produce armaments. Our refusal to make it possible for them to obtain such means of necessary self-defense in a time of grave emergency, would contribute solely toward making more helpless the law-abiding and peace-devoted peoples of the world. If such action is moral, and if, on the contrary, sales of the means of self-defense for the protection of peaceful and law-abiding peoples are immoral, then a new definition of morality and immorality must be written. This task might be left to the proponents of the arms embargo.

I must also refer to another impression created by propaganda to the effect that the abandonment of the arms embargo would increase power of action on the part of the executive branch of the Government and conversely that the maintenance of the embargo would serve as an additional check on the powers of the Executive. It is difficult to see how either of these propositions could possibly hold true. An impartial granting of access to American markets to all countries without distinction gives the Executive no additional power to choose among them and to commit this country to any line of policy or action which may lead it either into a dangerous controversy or into war with any foreign power.

The legislative proposals which were recommended to the Congress through the communications which I transmitted to Senator PITTMAN and to Congressman BLOOM on May 27, providing for the safeguarding of our Nation to the fullest possible extent from incurring the risks of involvement in war, contemplate the elimination of the existing arms embargo and are as follows:

- (1) To prohibit American ships from entering combat areas;
- (2) To restrict travel by American citizens in combat areas;
- (3) To require that goods exported from the United States to belligerent countries shall be preceded by the transfer of title to the foreign purchasers;
- (4) To continue the existing legislation respecting loans and credits to belligerent nations;
- (5) To regulate the solicitation and collection in this country of funds for belligerents; and
- (6) To continue the National Munitions Control Board and the licensing system with respect to the importation and exportation of arms, ammunition, and implements of war.

This six-point program was the best that could be devised after much painstaking thought and study, and after many conferences with Members of the Congress of how best to keep this country out of a conflict should it arise. It rests primarily on the established rules of international law, plus the curtailment of certain rights of our nationals, the exercise of which is permitted under international law, but which might lead to controversies with belligerents and eventual involvement in foreign wars.

There has thus been offered as a substitute for the present act a far broader and more effective set of provisions, which in no conceivable sense could breed trouble, but which to a far greater extent than the present act would both aid in making less likely a general war, and, while keeping strictly within the limits of neutrality, would reduce as far as possible the risk of this Nation of being drawn into war if war comes.

In connection with our foreign affairs, I think all must agree that, unless a spirit of collaboration and cooperation characterizes the relations between the executive and legislative departments of the

Government, the peace and other vital interests of this country will inevitably be jeopardized.

Having spent the best years of my life as a Member of the two Houses of Congress, I have the warmest feeling of friendliness toward the membership of, and the greatest respect for, the legislative department, and in that spirit I earnestly hope for the closest possible cooperation in matters affecting our country's best interests and its security in the present grave international situation.

At this time when critical conditions obtain throughout the greater part of the world I am sure that we are all equally persuaded that while the fullest measure of constructive criticism is helpful and desirable, and is of course most welcome, partisanship should play no part in the determination of the foreign policy of this country.

In the present situation of danger a peaceful nation like ours cannot complacently close its eyes and ears in formulating a peace and neutrality policy, as though abnormal and critical conditions did not exist. The entire question of peace and neutrality at this serious juncture in its possible effects upon the safety and the interest of the United States during coming months is of the utmost importance. This question should, in my judgment, receive full and careful consideration and be acted upon by this Government without unnecessary or undue delay.

CORDELL HULL.

AMENDING MERCHANT MARINE AND SHIPPING ACTS

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 224.

The Clerk read as follows:

House Resolution 224

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6746, a bill to amend certain provisions of the Merchant Marine and Shipping Acts, to further the development of the American merchant marine, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. Speaker, this is a rule providing for the consideration of the bill (H. R. 6746) to amend certain provisions of the Merchant Marine and Shipping Acts. It is an open rule with 2 hours of general debate provided. So far as I know, and I have been so informed, there is no opposition to the passage of the bill itself. I think all parties have agreed upon that. The Committee on Merchant Marine and Fisheries reported the bill unanimously for consideration.

Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. BLAND] to explain the provisions of the bill.

Mr. BLAND. Mr. Speaker, I shall attempt in the time at my disposal to review generally the bill as briefly as possible with a view of eliminating as much time as we can on general discussion.

The bill embraces 14 sections. The first section simply removes the present 2-year limitation on orders, as now prescribed in the acts, and brings the Merchant Marine Act in accord with similar legislation pertaining to the Interstate Commerce Commission.

The second section makes it clear that the burden of proof is on the carrier in cases involving the suspension of rates. The bulk of the evidence is, or should be, in its possession; and, therefore, this rule is reasonable and fair; and this, too, is brought into accord with similar legislation applicable to the Interstate Commerce Commission.

Section 3 permits employment without regard to civil service of 8 additional naval architects or marine engineers, 8 additional special experts, 10 additional examiners, and 2 inspectors for each vessel at the yards. This is deemed necessary because of the difficulty of getting this particular type of employee.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. BATES of Massachusetts. Will the gentleman point out in his discussion of this bill whether or not any additional expenses will be shoved onto the fishing industry as a result of this legislation? Is there anything in the bill that places the restrictions on or adds to the expense of the fishing industry?

Mr. BLAND. This bill does not impose additional burdens or restrictions on the fishing industry. The only relation to the fishing industry, and I will cover that now, is in the last section of the bill. There appeared to be some doubt as to certain legislation that had already been enacted providing for credit under title XI of the Merchant Marine Act, 1936, regarding ship-mortgage insurance and how far it would extend to fishing vessels. While the general counsel was of opinion that the law would extend to fishing vessels, yet in order to remove an apparent conflict between two sections, fishing vessels are expressly named as beneficiaries, so that so far as fishing vessels are concerned, this bill is rather a benefit and clarification.

Mr. BATES of Massachusetts. I know how interested the gentleman has always been in the fishing industry and I wanted to have that cleared up.

Mr. BLAND. This committee will seek never to impose a burden on the fishing industry. When any question comes up which would impose burdens on the fishing industry, the gentleman may be assured that the proposition will receive the most minute and meticulous consideration.

Section 4 allows an increased pay to men drawn from other services sufficient to bring up that pay to what they would be performing in comparable service. In other words, if a man is detailed from the Navy to serve with the Maritime Commission in a particular class of its work, and if occupying that same status with the Navy he would draw an increased pay, this section is designed to prevent the injustice of giving him a reduced pay while serving with the Commission. It is simply a matter of justice.

Section 6 provides the standards by which construction differential subsidies shall be determined and provides for measuring the differential between domestic yards and foreign yards. The differential shall be that determined by the Commission by comparing the cost in a domestic yard with the foreign yard, which will furnish a fair and representative example for the determination of estimated foreign cost of construction. The words "which may be reasonably availed of" are eliminated, because it may be that the basis of comparison with a yard "which may be reasonably availed of" is too speculative in order to determine a fair basis. So the Commission is given the authority to determine what would be a fair and representative example for the determination of the estimated cost.

The next section—section 7—is probably one of the most important in the bill. It has to do with the "turn in and build" program of the Commission, and pertains to domestic as well as foreign vessels engaged in domestic commerce as well as foreign commerce.

There are only 153 vessels in the subsidized fleet, and about 90 percent of the vessels in the domestic trade are not eligible for subsidy. They are well over 15 years old and 70 percent are 20 years old or more. There are obsolete vessels that are now owned by these persons who are engaged in this industry. Without the restriction now existing in law, some of those vessels could be sold to foreign countries at a rather considerable price for scrap value. Manifestly that is not desirable. Also they could be sold and put into competition with our own merchant marine, which is not desirable.

In our Shipping Act we have provided that these vessels cannot be sold without the consent of the Maritime Commission; so that on the one hand we are denying the present owner the right to sell the old obsolete vessel and on the other hand we are calling for reconstruction.

All maritime nations of the world are doing just exactly what we contemplate doing here. We provide as to vessels over 17 years of age that the Maritime Commission may agree with the owners, if they can agree, upon a fair and reasonable price at which those vessels may be taken over

by the Maritime Commission, and whatever amount shall be allowed on those old vessels shall be credited as payment on the new vessels to be constructed; the old vessels will be then in the possession of the Maritime Commission, either to be converted into scrap or, if it is desired or thought reasonably proper, those vessels may be put in the laid-up fleet in order to be retained there for use in the event of emergency. This change will remove a great injustice that rests upon the owners of ships and which exists by reason of existing legislation. It will enable the Maritime Commission to carry out its policies. The agreement must be reached with the owner and there is nothing compulsory about it. It is entirely voluntary.

Mr. REED of New York. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from New York.

Mr. REED of New York. Can the owner of these private ships negotiate with foreign interests?

Mr. BLAND. Not under the law. If he negotiates, he must get the consent of the Maritime Commission. It is the existing law today. He must get the consent of the Maritime Commission before sale can be made.

Section 8 permits payment of an additional 15 percent over the 75 percent as now permitted. It was not designed or intended when the legislation was framed that as to the ship subsidies that were due, they should be held up in some cases for nearly 9 months. We have provided for a 75-percent payment. This permits an additional payment of 15 percent, but with securities and guaranties that if there should be any error the excess must be paid back. The payments can be made only after there is a very careful audit.

Section 9 is an amendment which we have offered previously, and deals with the problem of countervailing subsidies. It adds nothing to the existing law. The only thing it does is it eliminates the requirement in the existing law that there shall be a unanimous vote of the Commission and provides that if four members so vote it may be paid.

May I say that that provision is identical with the provision that was in the bill that was last considered by the House, supported by the House, sent to the Senate, and reported favorably by the Senate, but it was stricken out on consideration of the bill in the Senate.

Section 11 provides a statutory floor by which persons purchasing ships can be assured that ships built by the Maritime Commission will not be put upon the market at a lower rate than is provided in the act, because of which they would possibly be done an injustice by reason of some subsequent effort to get rid of the ships.

Section 12 is a clarifying amendment to bring section 714 in line with other provisions of the bill. Section 714 of the bill brings the bill with reference to the charter of vessels in accord with title V of the Merchant Marine Act, which deals with the sale of vessels. It will be readily seen that it is necessary to harmonize those sections, because if the section dealing with the sale of vessels offers sale on more burdensome terms than the charter of vessels, then there would be difficulty in selling any vessels and getting the merchant marine in private hands as we desire; whereas section 714 provides that where that cannot be accomplished the vessels may be chartered. Unless section 714 is brought into accord with title V, there would be possibly no inducement to charter, and the operators who cannot at this time effect the purchase of vessels would go on with their old, dilapidated, and obsolete vessels rather than bring themselves into accord with the new policy.

Section 13 provides penalties where none exist. The act of 1936 assumed that certain penalties existed, but it was found that they did not, except for violations of the Shipping Act. Section 13 simply carries out the intent that existed in the original law.

Section 14 is a clarifying amendment as to fishing boats.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from New York.

Mr. SIROVICH. The purpose of the entire bill is to improve the merchant marine of our country and to help develop the merchant marine.

Mr. BLAND. Yes.

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I may say there is one other section dealing with cadets on shipboard. The only objection that was interposed with respect to this provision was that they might be used as strikebreakers. That is impossible, because the men who are used must conform with the regulations imposed by the Maritime Commission as to subsidized ships and by the Bureau of Marine Inspection as to all classes, and these men do not fall within the term "seamen or licensed officers," as was provided in the act.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from California.

Mr. SHEPPARD. Is there anything in this bill to give control over the Japanese fishing vessels on the Pacific coast?

Mr. BLAND. No; that is not in this bill.

Mr. SHEPPARD. Is the gentleman's committee considering a bill of that character?

Mr. BLAND. Not at this time. There is some such legislation pending before the committee, introduced by the gentleman from California [Mr. KRAMER] on which we have heard evidence. I hope that something may be worked out on that matter, but just at this time it would not be wise to bring in legislation of that type. I do hope that the bill we have provided for the establishment of a Coast Guard base in Alaska, and also giving wider powers of supervision to the Coast Guard, will more effectually control that situation.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. There is nothing in this bill that will interfere with rail rates?

Mr. BLAND. Not a thing in the world, unless running ships interferes with railroads, and I do not see how it possibly could. As a matter of fact, I believe that the development of what we have asked for here in an effort to build up our country and establish and restore its commerce would be the finest contribution that could be made to the restoration of the railroads, because I am firmly convinced that what the railroads need today more than anything else is a restoration of business in the country, stability, and the assurance of continued business. However, nothing in this bill affects the situation to which the gentleman has referred. [Applause.]

Mr. MAPES. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, the bill H. R. 6746 was carefully considered by the Committee on Merchant Marine and Fisheries and approved by the committee without opposition. The bill provides for a number of constructive amendments to the Merchant Marine and Shipping Acts to meet present emergencies with reference to the rehabilitation of our merchant marine. I sincerely hope the rule will be adopted and the bill passed. [Applause.]

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I desire to concur fully in the explanation of our distinguished chairman and to say that this measure has the full concurrence of the committee on both sides of the aisle.

In addition, I desire briefly to commend the present Maritime Commission for the excellent work it has done. In writing this legislation during the past 3 years the committee has endeavored to steer clear of the terrible waste and mistakes of the past. The Maritime Commission in its present personnel has ably and conscientiously carried out the will of the committee in the construction and placing of ships on the seas. Most Americans feel that a merchant marine is essential. Three years ago, except for the intervention of this law, the merchant marine bade fair to fade away completely. Under this act the merchant marine is being restored and will serve a high purpose for America both in times of peace and in times of war. [Applause.]

To that end and serving that purpose, as a member of this committee more or less diligent in service at the meetings of the committee, I desire to extend my hearty commendation to the Maritime Commission for the able, patriotic, and impartial manner in which they have performed this high

service. No board or commission in the history of the Congress and the country has ever rendered more patriotic or honest service. Under the auspices of the Maritime Commission the American flag is coming back on the seas. They are handling the offshore labor question with sympathy and needed firmness. The shipbuilders for the first time in our maritime history are functioning adequately. The operators no longer write their own ticket. I wish to say again, and in conclusion, that the country and Congress are to be congratulated on the magnificent job being done by the Maritime Commission and its staff. [Applause.]

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks by including a short article which appeared in today's Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MAPES. Mr. Speaker, I have no further requests for time. Perhaps I should call the attention of the distinguished gentleman from Georgia [Mr. RAMSPECK], the chairman of the Committee on Civil Service, to the provision in the bill, which provides that certain employees of the Commission shall be appointed without reference to civil-service laws.

The gentleman from Georgia has reported a bill from his committee extending the classified civil service. That bill is now on the House Calendar. I understand it is the intention to bring it up at almost any time. I assume that the gentleman will be interested in this particular section, and that he will move to strike it out during the consideration of the bill under the 5-minute rule.

Mr. BLAND. Mr. Speaker, will the gentleman yield to me?

Mr. MAPES. I yield.

Mr. BLAND. I do not know whether the gentleman from Georgia was present at the time or not, but that matter was very fully gone into by the committee, and it was very clearly demonstrated that this is a peculiar type of official, and that you cannot secure such officials through the medium of the Civil Service Commission, certainly not in time for the construction work that is being carried on. There is building being done on battleships, and, really, the yards themselves are having some trouble in supplying the necessary people, so that careful diligence is required on the part of the Commission in getting these men, and the purpose could be better worked out without the intervention of the Civil Service Commission. The law already contains this provision, and this is merely an additional number.

The acting chairman of the Civil Service Commission is present, and both of the gentlemen are members of my committee, and I have heard no objection to this.

Mr. CULKIN. That is what I wanted to call to the attention of the gentleman from Georgia.

Mr. MAPES. Mr. Speaker, who is the acting chairman of the committee?

Mr. BLAND. I should have said the ranking member of the committee. There is no acting chairman because the chairman of the committee is present on the floor, the gentleman from Georgia [Mr. RAMSPECK].

Mr. MAPES. Mr. Speaker, I notice that the provision includes, however, classes that it is intended to put under civil service by the bill which is on the calendar reported from the Committee on the Civil Service, such as 12 attorneys, for example, 22 examiners and inspectors for these vessels, as well as some of the experts to whom the gentleman from Virginia has referred.

Mr. BLAND. If the gentleman will permit, I have not read that particular bill, but I do say this is in strict accord with existing law, only increasing the number, and this is very essential now. At one time the number of inspectors in the yards was one in each yard, but it is manifest that with three of our ships being built in a yard, however honest the yard may be, the Government should have its own

inspectors checking on the work and they ought not to wait the time necessary to procure the additions needed through the civil service. If that question arises later, it can be covered at that time.

Mr. MAPES. I have not, I will say to the gentleman from Virginia, compared the two provisions, but my thought is that the bill which is on the calendar now, reported from the Civil Service Committee, will put these men, once they are appointed, under the classified civil service. In other words, they will be appointed without reference to the classified civil service, but after they have received their appointment and served for a certain length of time they will be brought into the classified service by this bill which is on the calendar.

Mr. BLAND. May I say that what the bill does is to repeat the provisions of the present law. It asks 8 additional naval architects or marine engineers and already the existing law provides for 12 naval architects. In this it simply extends the classification for naval architects specifically to marine engineers. They have 20 special experts instead of 12. It does not increase the number of attorneys. There are 22 examiners instead of 12, and 2 inspectors for each vessel. It is simply an increase in the number.

Mr. MAPES. This increases the number of attorneys?

Mr. BLAND. Not attorneys. It does not increase the number of attorneys.

Mr. MAPES. It names 12 in the bill.

Mr. BLAND. The legislation already on the statute books provides for 12 attorneys. The 12 attorneys are merely repeated in the amendment, so that it does not increase the number of attorneys at all.

Mr. MAPES. This is simply a repetition of the present law?

Mr. BLAND. Yes; it strikes out this language from existing law:

Twelve each of naval architects, special experts, attorneys, and examiners and not more than two inspectors;

And inserts in lieu thereof—

Twenty naval architects or marine engineers, 20 special architects, 22 examiners, 12 attorneys, and 2 inspectors for each vessel.

That will be two inspectors for each vessel at each shipyard rather than as in the old law two inspectors at each shipyard.

Mr. MAPES. Are these positions already filled?

Mr. BLAND. Those positions under the old law are already filled.

Mr. MAPES. So that there will be no additional attorneys?

Mr. BLAND. No. None additional to those authorized in existing law.

Mr. WELCH. Mr. Speaker, I desire to compliment the gentleman from Michigan [Mr. MAPES] in protecting the civil service. I am a firm believer in civil service, and have so demonstrated on every occasion since I have been a Member of this House by voting for civil-service legislation. I do not think the selection of these additional highly skilled men should be restricted by civil service. This requires men of the very finest skill, men trained in this particular work. That is the motive for exempting them in the bill under consideration.

Mr. SEGER. And in addition to that, if the Civil Service were called on to provide these technicians, it would take 7 or 8 months to find them.

Mr. WELCH. Unless the Maritime Commission was successful in borrowing them from another department, as provided in the bill, it would take longer than 7 or 8 months. It requires years of training to bring naval architects, marine engineers, and inspectors to a point of efficiency where they are qualified for this particular service.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. BLAND. Mr. Speaker, there has been very generous debate upon the bill in the debate on the rule, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the second paragraph of section 23 of the Shipping Act, 1916, as amended, is amended to read as follows:

"All orders of the United States Maritime Commission, other than for the payment of money, made under this act, as amended or supplemented, shall continue in force until its further order, or for a specified period of time, as shall be prescribed in the order, unless the same shall be suspended, or modified, or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction."

Sec. 2. The second paragraph of section 3 of the Intercoastal Shipping Act, 1933, as amended, is amended by inserting before the last sentence of such paragraph a new sentence to read as follows: "At any hearing under this paragraph the burden of proof to show that the rate, fare, charge, classification, regulation, or practice is just and reasonable shall be upon the carrier or carriers."

Sec. 3. The first sentence of section 201 (e) of the Merchant Marine Act, 1936, as amended, is amended to read as follows: "Without regard to the civil-service laws or the Classification Act of 1923, as amended, the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a director for each of not to exceed five divisions, a general counsel, a clerk to each member of the Commission, and not more than 3 assistants, not more than a total of 20 naval architects or marine engineers, 20 special experts, 22 examiners, 12 attorneys, and 2 inspectors for each vessel at each shipyard at which vessels are being constructed by it or under its supervision."

Sec. 4. Section 201 (f) of such act, as amended, is amended by inserting after the first sentence thereof a new sentence to read as follows: "Whenever any officer (not exceeding five in number at any time) of the Army, Navy, Marine Corps, or Coast Guard is detailed to the Commission, he shall receive from the Commission, for the period during which he is so detailed, such compensation as added to his pay and allowances as an officer in such service will make his aggregate compensation equal to the pay and allowances he would receive if he were the incumbent of an office or position in such service (or in the corresponding executive department), which, in the opinion of the Commission, involves the performance of work similar in importance, difficulty, and responsibility to that performed by him while detailed to the Commission."

Sec. 5. Subsection (c) of section 216 of such act, as amended, is amended to read as follows:

"(c) The Commission is hereby authorized to train American citizens to become licensed officers of the merchant marine of the United States in a status of cadets and cadet officers on Government-owned and subsidized vessels and, in cooperation with other governmental and private agencies, on other vessels and in shipyards, plants, and industrial and educational organizations, under rules and regulations prescribed by the Commission and upon such terms as the Commission may arrange, and expenditures incident to such training are hereby authorized."

"(d) The Commission is hereby authorized to prescribe, conduct, and supervise such extension and correspondence courses as it may deem necessary to supplement other training facilities, and to make such courses available, under such rules and regulations and upon such terms as it may prescribe, to the licensed and unlicensed personnel of the merchant marine, and to cadets and cadet officers who shall make application therefor. The Commission is further authorized to print, publish, and purchase suitable textbooks, equipment, and supplies required for such courses, and to employ persons, firms, and corporations on a contract or fee basis (without regard to the provisions of sec. 3709 of the Revised Statutes), for the performance of special services deemed necessary by the Commission in the preparation and editing of such textbooks and other aids to instruction, and in the supervision and administration of such courses."

"(e) The Commission, with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section, as amended."

Sec. 6. The first sentence of section 502 (b) of such act, as amended, is amended to read as follows: "The amount of the reduction in selling price which is herein termed 'construction differential subsidy' may equal, but not exceed, the excess of the bid of the shipbuilder constructing the proposed vessel (excluding the cost of any features incorporated in the vessel for national-defense uses, which shall be paid by the Commission in addition to the subsidy), over the fair and reasonable estimate of cost, as determined by the Commission, of the construction of the proposed vessel if it were constructed under similar plans and specifications (excluding national-defense features as above provided) in a foreign shipbuilding center which is deemed by the Commission to furnish a fair and representative example for the

determination of the estimated foreign cost of construction of vessels of the type proposed to be constructed."

Sec. 7. Title V of such act, as amended, is amended by adding at the end thereof a new section to read as follows:

"Sec. 510. (a) When used in this section—

"(1) The term 'obsolete vessel' means a vessel or vessels, each of which (A) is of not less than 1,350 gross tons, (B) is not less than 17 years old and, in the judgment of the Commission, is obsolete or inadequate for successful operation in the domestic or foreign trade of the United States, and (C) is owned by a citizen or citizens of the United States and has been owned by such citizen or citizens for at least 3 years immediately prior to the date of acquisition hereunder."

"(2) The term 'new vessel' means a vessel or vessels, each of which (A) is constructed under the provisions of this act, and is acquired within 2 years from the date of completion of such vessel, or is purchased under section 714, as amended, by the person turning in an obsolete vessel under this section, or (B) is hereafter constructed in a domestic shipyard on private account and not under the provisions of this act, and documented under the laws of the United States."

"(b) In order to promote the construction of new, safe, and efficient vessels to carry the domestic and foreign water-borne commerce of the United States, the Commission is authorized, subject to the provisions of this section, to acquire any obsolete vessel in exchange for an allowance of credit. The amount of such allowance shall be determined at the time the owner contracts for the construction or purchase of a new vessel. The allowance shall not be paid to the owner of the obsolete vessel but shall be applied upon the purchase price of a new vessel. In the case of a new vessel constructed under the provisions of this act, such allowance may, under such terms and conditions as the Commission may prescribe, be applied upon the cash payments required under this act. In case the new vessel is not constructed under the provisions of this act, the allowance shall, upon transfer of the obsolete vessel to the Commission, be paid, for the account of the owner, to the shipbuilder constructing such new vessel."

"(c) The utility value of the new vessel for operation in the domestic or foreign commerce of the United States shall not be substantially less than that of the obsolete vessel. The gross tonnage of the obsolete vessel may exceed the gross tonnage of the new vessel in a ratio not in excess of three to one, if the Commission finds that the new vessel, although of lesser tonnage, will provide utility value equivalent to or greater than that of the obsolete vessel."

"(d) The allowance for an obsolete vessel shall be the fair and reasonable value of such vessel as determined by the Commission. In making such determination the Commission shall consider: (1) The scrap value of the obsolete vessel both in American and in foreign markets, (2) the depreciated value based on a 20-year life, and (3) the market value thereof for operation in the world trade or in the foreign or domestic trade of the United States. If the owner of the obsolete vessel uses such vessel during the period of construction of the new vessel, the allowance shall be reduced by an amount representing the fair value of such use."

"(e) No gain shall be recognized to the owner for the purpose of Federal income taxes in the case of a transfer of an obsolete vessel to the Commission under the provisions of this section. The basis for gain or loss upon a sale or exchange and for depreciation under the applicable Federal income-tax laws of a new vessel acquired as contemplated in this section shall be the same as the basis of the obsolete vessel or vessels exchanged for credit upon the acquisition of such new vessel, increased in the amount of the cost of such vessel (other than the cost represented by such obsolete vessel or vessels) and decreased in the amount of loss recognized upon such transfer."

"(f) The Commission shall include in its annual report to Congress a detailed statement of all transactions consummated under the provisions of the preceding subsections during the period covered by such report."

"(g) An obsolete vessel acquired by the Commission under this section which is or becomes 20 years old or more, and vessels presently in the Commission's laid-up fleet which are or become 20 years old or more, shall in no case be used for commercial operation, except that any such obsolete vessel, or any such vessel in the laid-up fleet may be used during any period in which vessels may be requisitioned under section 902 of this act, as amended, and except as otherwise provided in this act for the employment of the Commission's vessels in steamship lines on trade routes exclusively serving the foreign trade of the United States."

Sec. 8. The last sentence in the first paragraph of section 603 (c) of such act, as amended, is amended to read as follows: "Such payments on account shall in no case exceed 75 percent of the amount estimated to have accrued on account of such subsidy, except that, with respect to that part of the subsidy relating to any particular voyage, an additional 15 percent may be paid to the contractor after such contractor's audit of the voyage account for such voyage has been completed and the Commission's auditors have verified the correctness of the same. Any such payments shall be made only after there has been furnished to the Commission such security as it deems to be reasonable and necessary to insure refund of any overpayment."

Sec. 9. The proviso at the end of section 604 of such act, as amended, is amended to read as follows: "Provided, That no such

additional subsidy shall be granted except upon an affirmative vote of four of the members of the Commission."

Sec. 10. The proviso at the end of section 607 (c) (3) of such act, as amended, is amended to read as follows: "Provided, That such reimbursement to the Commission, if so deferred, shall be payable upon termination of the contract from any amounts then in the special reserve fund and the capital reserve fund: *Provided further*, That if any amounts shall have been transferred to the general funds of the contractor from either of such reserve funds and not repaid thereto, or if prepayments of amounts not due before one year after the date of termination of the contract have been made from the capital reserve fund pursuant to subsection (b) of this section, then the balance of such reimbursement not paid out of said reserve funds shall be payable out of any other assets of the contractor, but the amounts so payable from such assets shall not exceed in the aggregate the sum of the amounts so transferred and not repaid, and the amounts of such prepayments;"

Sec. 11. (a) Section 705 of such act, as amended, is amended by adding at the end thereof a new sentence to read as follows: "No vessel constructed under the provisions of this act, as amended, shall be sold by the Commission for operation in the foreign trade for a sum less than the estimated foreign construction cost exclusive of national-defense features (determined as of the date the construction contract therefor is executed) less depreciation based on a 20-year life, nor shall any such vessel be sold by the Commission for operation in the domestic trade for a sum less than the cost of construction in the United States exclusive of national-defense features less depreciation based on a 20-year life."

(b) Section 706 (b) of such act, as amended, is amended by adding at the end thereof a new sentence to read as follows: "The Commission shall reject any bid for the charter (under sections 701 to 713, both inclusive, of this title, as amended) of any vessel constructed under the provisions of this act, as amended, if the charter hire offered by the bidder is lower than the minimum charter hire for such vessel would be if chartered under the provisions of section 714, as amended, of this title."

Sec. 12. Section 714 of such act, as amended, is hereby amended to read as follows:

"Sec. 714. If the Commission shall find that any trade route (determined by the Commission to be an essential trade route as provided in sec. 211 of this act) cannot be successfully developed and maintained and the Commission's replacement program cannot be achieved under private operation of such trade route by a citizen of the United States with vessels registered under the laws thereof, without further Government aid in addition to the financial aids authorized under titles V and VI of this act, the Commission is authorized to have constructed, in private shipyards or in navy yards, the vessel or vessels of the types deemed necessary for such trade route, and to demise such new vessel or vessels on bare-boat charter to the American-flag operator established on such trade route, without advertisement or competition, upon an annual charter hire of not less than 5 percent of the price (herein referred to as the 'foreign cost') at which such vessel or vessels would be sold if constructed under title V plus 3½ percent of the depreciated foreign cost computed annually upon the basis of a 20-year life of the vessel. Such charter may contain an option to the charterer to purchase such vessel or vessels from the Commission within 5 years after delivery thereof under the charter, upon the same terms and conditions as are provided in title V for the purchase of new vessels from the Commission, except that (a) the purchase price shall be the foreign cost less depreciation to the date of purchase based upon a 20-year life; (b) the required cash payment payable at the time of such purchase shall be 25 percent of the purchase price as so determined; (c) the charter may provide that all or any part of the charter hire paid in excess of the minimum charter hire provided for in this section may be credited against the cash payment payable at the time of such purchase; (d) the balance of the purchase price shall be paid within the years remaining of the 20 years after the date of delivery of the vessel under the charter and in approximately equal annual installments, except that the first of said installments, which shall be payable upon the next ensuing anniversary date of such delivery under the charter, shall be a proportionate part of the annual installment, interest to be payable upon the unpaid balances of 3½ percent per annum from the date of purchase.

"Such charter shall provide for operation of the vessel exclusively in foreign trade, or on a round-the-world voyage, or on a round voyage from the west coast of the United States to a European port or ports which includes intercoastal ports of the United States, or a round voyage from the Atlantic coast of the United States to the Orient which includes intercoastal ports of the United States, or on a voyage in foreign trade on which the vessel may stop at an island possession or island Territory of the United States, and if the vessel is operated in the domestic trade on any of the above-enumerated services, the charterer will pay annually to the Commission that proportion of one-twentieth of the difference between the domestic and foreign cost of such vessel as the gross revenue derived from the domestic trade bears to the gross revenue derived from the entire voyages completed during the preceding year."

Sec. 13. Section 806 of such act, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(d) Whoever knowingly and willfully violates any order, rule, or regulation of the United States Maritime Commission made or issued in the exercise of the powers, duties, or functions trans-

ferred to it or vested in it by this act, as amended, for which no penalty is otherwise expressly provided, shall upon conviction thereof be subject to a fine of not more than \$500. If such violation is a continuing one, each day of such violation shall constitute a separate offense."

Sec. 14. Paragraph (8) of section 1104 (a) of such act, as amended, is amended by striking out the word "or" before the designation "(c)", and by inserting before the period at the end of the paragraph a semicolon and the following: "or (d) in the fishing trade or industry."

With the following committee amendments:

Page 3, lines 18 and 19, strike out "and in shipyards, plants, and industrial and educational organizations."

Page 9, strike out all of section 9 and insert in lieu thereof the following:

"Sec. 9. Section 604 of such act, as amended, is amended to read as follows:

"Sec. 604. If in the case of any particular foreign-trade route the Commission shall find after consultation with the Secretary of State that the subsidy provided for in this title is in any respect inadequate to offset the effect of governmental aid paid to foreign competitors, it may grant such additional subsidy as it determines to be necessary for that purpose: *Provided*, That no such additional subsidy shall be granted except upon an affirmative vote of four of the members of the Commission."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on two different subjects and include therein a letter from a farmer in the State of Iowa and another from a merchant in the State of Iowa.

The SPEAKER. Is there objection?

There was no objection.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

TO CREATE NEW NATIONAL FOREST UNITS IN MONTANA

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 26) to empower the President of the United States to create new national forest units and make additions to existing national forests in the State of Montana.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain just what this bill provides?

Mr. O'CONNOR. Yes; I will be very happy to explain briefly the bill. There are large acreages of public lands in Montana. The reason why it is imperative that this bill be passed now is to give the President the authority to transfer supervision of this land to the Forest Department so that we will have adequate fire protection. The fire protection afforded by the Forest Service is very effective. C. C. C. camps are used and these young men do heroic work along that line. In Montana it is now getting dry and hot and the fire season is on. That is one reason why I am asking for immediate consideration of this measure. As I said the main purpose of the bill is to provide fire protection to unprotected public lands from forest fires. The Department of Agriculture has stated the necessity for this bill better than I can state it:

MARCH 31, 1939.

HON. RENÉ L. DEROUEN,
Chairman, Committee on the Public Lands,
House of Representatives.

DEAR MR. DEROUEN: Reference is made to your request of February 22 for a report on S. 26, an act to empower the President of the United States to create new national-forest units and make additions to existing national forests in the State of Montana.

From the passage of the act of March 3, 1891 (36 Stat. 1103), to that of the act of March 4, 1907 (34 Stat. 1271), a period of 16 years, the President of the United States had full power to create or enlarge national forests by proclamation or Executive order. By the act of March 4, 1907, that power was rescinded in relation to six of the Western States, including Montana. The bill S. 26 would restore that power in relation to the State of Montana.

At the time the restriction was placed upon the President's power to create or enlarge national forests in Montana, the whole national policy of conservation was in an acutely controversial stage. There also was widely prevalent a belief that the remaining unreserved and unappropriated lands of the United States had infinite and permanent potentialities for constructive and profitable private ownership and management. The ensuing 30-year process of trial and error has provided new and more dependable bases for consideration and decision. The soundness and necessity of a comprehensive national program of forest management and watershed protection is now generally recognized; as is also the indubitable fact that much of the wild land of the West does not produce enough to pay the costs of constructive and permanent private management and hence has little appeal to private interest for other than a quick exploitation of long-accurring resources, to be followed usually by tax delinquency and abandonment.

The entire situation has now so changed as to make unnecessary the checks and safeguards that might have been justified at the time the Presidential authority was withdrawn. The principles governing enlargement of the national forests have been well defined by precedent, practice, and procedure over a further period of 30 years. Before national-forest units or additions are recommended, they are thoroughly analyzed by the Land Use Coordinating Committee of the Department, with particular attention to their relationship to, or effect upon, the plans of other bureaus or departments. The proclamations or Executive orders placing public-domain lands in a national-forest status are drafted by the Department of the Interior and submitted to the President through the Bureau of the Budget, the Attorney General, and the Department of State. Such a procedure would seem to obviate any possibility that final action would be taken without full information or complete consideration of all aspects of the proposal and full opportunity for the several executive departments directly concerned to record their views and recommendations.

The degree to which the proposed legislation would increase the costs of administering the national forests cannot be foretold with any accuracy, since it will depend upon the number, size, and situation of the projects which might be approved by the President. In all probability most of the additions which might be made would be of areas marginal to the present boundaries of national forests and susceptible to effective management without appreciable increase in present personnel or expenditures. No really material increase in costs of administration as a result of the proposed act can now be foreseen.

In the opinion of this Department, enactment of the bill, S. 26, would be in the public interest and, therefore, is recommended.

Upon reference of this matter to the Bureau of the Budget, as required by Budget Circular 344, the Acting Director thereof advised the Department of Agriculture under date of February 18, 1939, that there would be no objection on the part of that office to the submission to Congress of this proposed report.

Sincerely,

HARRY L. BROWN,
Acting Secretary.

Mr. MARTIN of Massachusetts. How much acreage is involved?

Mr. O'CONNOR. There are hundreds of thousands of acres, but it is all public land at the present time. This bill has already passed the Senate.

Mr. MARTIN of Massachusetts. As I understand it, it is a unanimous report from the Committee on Public Lands?

Mr. O'CONNOR. The Committee on Public Lands considered the bill and reported it out unanimously with an amendment, which I proposed myself, limiting the area, and I am going to ask the House to vote down the committee amendment which, as I said, I proposed. I limited the area to three counties, and I find demand for the bill from all over the State.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. DIRKSEN. Has this been administered by the Interior Department heretofore?

Mr. O'CONNOR. It has been administered by both the Interior and Agricultural Departments heretofore.

Mr. DIRKSEN. So only jurisdiction control is being vested in the Forest Service?

Mr. O'CONNOR. Yes; the gentleman is correct.

Mr. MARTIN of Massachusetts. The gentleman has discussed the question of bringing this bill up with the gentleman from California [Mr. ENGLEBRIGHT]?

Mr. O'CONNOR. I have discussed it with the gentleman from California, the ranking minority member, and I have his O. K. I likewise discussed it with the chairman of the Committee on Public Lands, the majority leader, and the minority leader of the House, and have their approval of consideration.

Mr. CHURCH. What is the number of the House bill?

Mr. O'CONNOR. I introduced a companion House bill, but I asked the Public Lands Committee to report Senator WHEELER's bill instead of mine, as his bill has already passed the Senate.

Mr. CHURCH. What is the number of that bill?

Mr. O'CONNOR. I do not now recall the number of my bill.

Mr. CHURCH. Was it on the Consent Calendar?

Mr. O'CONNOR. No; it is on the Union Calendar.

Mr. CHURCH. This bill is on the Consent Calendar for next Monday.

Mr. O'CONNOR. Yes. I requested that that be done yesterday to insure passage at this session.

Mr. CHURCH. What is the number of the House bill?

Mr. O'CONNOR. As I said, I cannot give that to the gentleman now. I will have it Monday when the bill is reached.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is authorized, in his discretion, to add to existing national forests, or to include within new national forests, by proclamation or Executive order, any unappropriated public lands in the United States situated in the State of Montana, which, in his opinion, are chiefly valuable for the production of timber or the protection of watersheds: *Provided,* That the inclusion of such lands within a national forest shall be subject to any claim, entry, or appropriation under the public land laws then valid and subsisting and thereafter legally maintained.

Sec. 2. All previous acts and parts of acts in conflict herewith are hereby repealed insofar as they apply to the State of Montana.

With the following committee amendment:

Page 1, line 7, after the word "Montana", insert "in the counties of Fergus, Lincoln, and Missoula."

The SPEAKER. Without objection, the committee amendment is rejected.

There was no objection, and the committee amendment was rejected.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. LEWIS of Colorado. Mr. Speaker, I call up House Resolution 250.

The Clerk read as follows:

House Resolution 250

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 281, an act to amend further the Civil Service Retirement Act, approved May 29, 1930. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

I yield myself 5 minutes, Mr. Speaker.

This is an open rule providing for 1 hour of general debate on the bill S. 281. The matter comes from the Civil Service Committee.

I yield at this time 10 minutes to the author of the bill, the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, this bill passed the Senate sometime back. The House Committee on the Civil Service has stricken out the Senate language and inserted new language amending the civil service retirement law in certain particulars which I will discuss briefly.

Under existing law there are three mandatory retirement ages for different groups of employees who have different occupations. One group retires at the age of 62, another at the age of 65, and another at 70. Under this proposal we eliminate the 62-year group and move them up to the age of 65, leaving only two mandatory retirements, at the ages of 65 and 70.

Under the present law these three groups have the option of retiring at the age of 60, 63, and 68. Under the committee proposal all three groups, or the two that are left after our amendment is adopted, if it is adopted, would have the right of retirement at the age of 60, after 30 years' service.

The present law provides that a person who is retired for disability and thereafter recovers, remains on the retirement rolls only 90 days. We are extending that time to 1 year in order to give the employee who recovers a further opportunity to find reinstatement in the Government service.

Under the present law all claims for disability annuity must be executed prior to the employee's separation from the service, or within 6 months thereafter. We are waiving this 6 months' limitation in the present proposal in the case of employees who at the date of separation or within 6 months thereafter have been adjudged mentally incompetent. We found a few cases where we thought hardship had been worked, and we are attempting to relieve that.

Under the existing law after 45 years of age with 15 years' service an employee may elect to receive an annuity at age 55 of the value that he would receive at age 62. Under the committee proposal we are changing the required service to 5 years and provide that any person may receive an annuity at age 55, if involuntarily separated from the service, which shall be the equivalent of an annuity which he otherwise would receive at age 62.

In addition, we are including in this bill postmasters. They were not included in the original act. In this bill also we are giving the option to Members of Congress and United States Senators to participate in the act if they so desire.

We are raising the contribution required from $3\frac{1}{2}$ to 5 percent of the basic salary. We are also providing that the Government's part of the annuity shall be no less than that purchased by the money contributed to the fund by those who come under the law.

Another change we are making in the act is to provide that any person affected by the act may at the time of retirement elect to receive a lesser annuity and leave the remainder of his annuity to a named beneficiary. No doubt most of you have received letters from people in the Government service advocating the so-called widow's annuity. This bill makes provision by which employees may take care of their widows or other named beneficiaries, but it does not increase the total annuity; it simply means a division of the annuity at the time of retirement.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. DINGELL. I am, of course, mindful of the gentleman's interest in and his very fine service to the Federal workers generally. It has been my policy as a rule to follow the gentleman in matters of legislation almost entirely on faith. I am not familiar with the provisions of the bill as amended by the Senate, but my understanding is that the bill has the almost universal approval of the Federal employees generally. Is that right?

Mr. RAMSPECK. The gentleman is correct. While there may be some details in it that they would prefer to have changed, in the main they approve it. There are three groups of employees who come under this act who are organized. One group is composed of several organizations affiliated with the American Federation of Labor and belong to what is known as the Joint Conference on Retirement. Mr. Robert H. Alcorn is chairman of that group, and he has issued a letter to the Members of Congress endorsing this bill and asking for its passage. Another group, generally speaking, is affiliated with what is known as the National Legislative Council, headed by Mr. Luther Steward. They have likewise asked for the passage of the bill. There is a third group, headed by Mr. Jacob Baker, which has also endorsed the bill. So I can say that so far as I know every group of organized employees in the Government service favor the passage of the bill.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. MURDOCK of Arizona. I wish to second heartily the remarks of my colleague from Michigan to the effect

that we recognize the gentleman's [Mr. RAMSPECK's] leadership in work affecting the welfare of the Federal employees. As I understand it, the pending bill includes postmasters.

Mr. RAMSPECK. Yes.

Mr. MURDOCK of Arizona. I am not quite clear about the provision under which Members of Congress and United States Senators may participate in the retirement plan. Will the gentleman elaborate on that?

Mr. RAMSPECK. Some 2 or 3 years ago we amended the Civil Service Retirement Act to permit our secretaries, clerks of committees, and legislative employees generally, at their option, to participate in this law. We are now presenting the same right to Members of Congress and Senators, giving them 6 months after the effective date of the act to notify either the Clerk of the House or the Secretary of the Senate. If they desire to participate in it, they must do so upon the same terms and with benefits limited to the same amount which the 540,000 people who now come under this act receive. They would pay in after January 1 of next year 5 percent of their salaries. If they wish to get credit for their back service, their prior service, they would pay for it at the rate applicable at the time of the service: At the present time $3\frac{1}{2}$ percent, and from 1920 to 1926, $2\frac{1}{2}$ percent.

This will not furnish any large annuity to anybody. It is a contributory plan based upon the same principle which has been successfully applied to the Federal employees since 1920, and it embodies the same principle that we find in title II of the Social Security Act where the employee, or the beneficiary, must contribute half of the cost. It will not furnish any great annuity, but it would furnish to a man who served here for 30 years a very nice annuity in the future. For the back service it will not be quite as large, because the deductions required to be paid for back service are less, and that reduces the amount to the person who receives it.

The annuity received is based on an actuarial computation made at the time he retires based on the life expectancy of the man. It is not, therefore, possible for me to tell exactly what amount any particular individual would receive, but I can assure you that it is slightly more beneficial than one would get from a private insurance company, and still it is fair to the taxpayer.

Mr. RANDOLPH rose.

Mr. RAMSPECK. Mr. Speaker, I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I want to add my word of congratulation to the gentleman who is the distinguished chairman of the House Civil Service Committee. It has been my pleasure to serve under and with him for 7 years on what I consider to be one of the important committees of this House. I am sure the gentleman will agree with me that the civil-service retirement program is designed primarily to effectuate a proper and humane method of retiring those individuals from employment in the Federal Government when they become disabled or who through advanced age are not able to properly perform their duties in the Government. The gentleman, I am sure, feels as I do that this legislation improves the civil service retirement system.

Mr. RAMSPECK. I agree with the gentleman. I think these amendments will be beneficial both to the Government and to the employees.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is retirement at the ages mentioned for the different employees compulsory?

Mr. RAMSPECK. The compulsory age, if this amendment is adopted, will be 65 for the postal groups and those engaged in what might be called hazardous occupations, like the navy-yard workers. It is 70 for all other groups.

Mr. WHITTINGTON. And the age of 70 would apply to postmasters?

Mr. RAMSPECK. Yes; the age of 70 would apply to postmasters.

Mr. WHITTINGTON. Will that age apply to Senators and Members of Congress?

Mr. RAMSPECK. No. There is no mandatory age applied to legislative employees, nor will there be to Members of Congress or Senators. They can serve until they are 100 years of age if they could be reelected for that long.

Mr. PACE. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Georgia.

Mr. PACE. I have two questions to ask. First, what is the reason for and the result of the increase in the contribution from 3½ to 5 percent? Secondly, how will the postmaster retirement feature operate with reference to back years served by a postmaster?

Mr. RAMSPECK. The back years served by a postmaster can be counted for the purpose of receiving an annuity provided he pays up for the back time, just like we will have to do if we come under it.

The reason for the increase is twofold. In the first place, it will produce a larger annuity and a great many of the employees want that because they want to build up a larger annuity so that they can provide for their widows or some named beneficiary. In the second place, it will reduce the Government part of the cost. When this law was drafted in 1930 it was designed largely for the benefit of the lower pay groups and it is quite generous insofar as they are concerned. Because of a minimum annuity provision in the law, the Government must pay and does pay a deficiency cost as to that group of employees.

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. DINGELL. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to ask the gentleman from Georgia a question with regard to permanent and total disability. Is there any provision in this retirement act which grants benefits at an earlier date in case of total or permanent disability?

Mr. RAMSPECK. Yes. Any employee or any person who comes under the act and is totally disabled at any time after 5 years of service can get an annuity. The amount of it, of course, will be based upon length of service and the age of the employee at the time the disability occurs.

Mr. DINGELL. The principle of permanent and total disability is included in the bill?

Mr. RAMSPECK. Yes. There have been a number of employees retired for total disability.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. What is the percentage of increase in the Federal contribution toward the retirement and annuity payments under the provisions of this bill, if there be an increase? Is there an increase in the Federal contribution and if so, how much?

Mr. RAMSPECK. We are providing that the Government's part of the annuity shall not be less than that purchased by the savings of beneficiaries under the act.

Mr. WHITTINGTON. I recall that statement, but is that an increase over the present contribution?

Mr. RAMSPECK. It is an increase in a small percentage of cases. It will affect only those employees who are getting larger salaries. Under the present law they are discriminated against in favor of those who earn \$2,000 a year and less.

Mr. WHITTINGTON. What is the percentage of increase for the lower salaries?

Mr. RAMSPECK. It cannot be named in percentages because it varies with different salaries; but in no event will the Government pay to those benefited by that provision more than 50 percent of the cost of the annuity.

Mr. WHITTINGTON. The gentleman cannot give us an estimate of the increased Federal cost?

Mr. RAMSPECK. Does the gentleman mean the amount in dollars?

Mr. WHITTINGTON. Yes.

Mr. RAMSPECK. It would be very little. I have not the exact figures, but it would be a small amount.

Mr. DONDERO. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. DONDERO. Will the gentleman explain to the House what the amount of the annuity would be to a person who became permanently disabled, or would that be determined upon the amount that he had contributed to the fund?

Mr. RAMSPECK. It would be governed by the amount he had contributed to the fund, and his age would be taken into consideration also. Of course, I cannot figure that out unless I have a specific case, and even then I could not do it instantaneously. It is an actuarial computation.

Mr. DONDERO. His contribution to the fund would be one of the determining factors?

Mr. RAMSPECK. Yes.

Mr. SNYDER. And the years of service enter into that also?

Mr. RAMSPECK. Yes; years of service would determine the amount he paid in.

[Here the gavel fell.]

DISTRICT OF COLUMBIA APPROPRIATION BILL—CONFERENCE REPORT

Mr. COLLINS submitted the following conference report and statement on the bill (H. R. 5610) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 5610) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 61, 62, 63, 64, 65, 67, 68, 69, 70, and 71.

That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$6,000,000"; and on page 2, line 8 of the bill after the word "Columbia," insert the following: "and this Act shall be effective as of July 1, 1939, and any appropriations and authority contained herein shall have the same force and effect between June 30, 1939, and the date of the enactment of this Act as though the same had become law on July 1, 1939; and the acts of any officer or employee performed during such period in anticipation of the appropriations or authority contained herein shall not be invalidated, declared ineffective, or questioned solely because of the lack of such appropriations or authority during such period,"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: Omit the matter stricken out and inserted by said amendment; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$1,623,000"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "\$900,000, and not to exceed 10 per centum of this appropriation and of Federal grants reimbursed under this appropriation shall be expended for personal services, including the employment of one general superintendent of public assistance services at \$5,600 per annum, one assistant superintendent of such services at \$4,600 per annum, and one stenographer-typist (secretary) at \$2,000 per annum, to be appointed without reference to civil-service requirements,"; and the Senate agree to the same.

ROSS A. COLLINS,
GEORGE MAHON,
KARL STEFAN,
FRANCIS CASE,

Managers on the part of the House.

JOHN H. OVERTON,
CARTER GLASS,
ELMER THOMAS,
WILLIAM H. KING,
GERALD P. NYE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5610) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment No. 1: Appropriates \$6,000,000 as a Federal contribution to the operation of the government of the District of Columbia, instead of \$5,000,000, as proposed by the House, and \$7,750,000, as proposed by the Senate, and provides that the provisions of the act and the action of administrative officers in anticipation of enactment shall be effective as if such act had been approved on July 1, 1939.

On amendment No. 59: Provides \$229,000 for the construction of an eight-room addition to the Ketcham School, as proposed by the Senate.

On amendment No. 60: Strikes out the provision of the House appropriating \$20,000 for plans and specifications for a new building to house the Abbott Vocational School, and eliminates the provision of the Senate with reference to this school.

On amendments Nos. 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, and 71, relating to school buildings and grounds: Strikes out the Senate amendments providing for plans and specifications for new buildings to replace old elementary schools and for the purchase of land for such new school buildings, and corrects the totals for such items.

On amendment No. 101: Appropriates \$900,000 for relief in the District of Columbia, as proposed by the House instead of \$1,500,000, as proposed by the Senate, and provides that 10 percent of such sum shall be available for personal services, instead of 8½ percent, as proposed by the House, and the elimination of any limitation on personal services, as proposed by the Senate.

ROSS A. COLLINS,
GEORGE MAHON,
KARL STEFAN,
FRANCIS CASE,

Managers on the part of the House.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 5610.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman from Mississippi explain what has happened in connection with this conference report?

Mr. COLLINS. The conferees have agreed on a lump-sum contribution by the Federal Government toward the operation of the government of the District of Columbia of \$6,000,000 applicable only to the next fiscal year. No agreement with reference to any future years has been reached, because this bill deals entirely with the fiscal year 1940.

Mr. DINGELL. No commitments of any kind have been made?

Mr. COLLINS. No commitments whatever.

As to the appropriation for relief, the House figure of \$900,000 is retained. That is the same amount provided for the last fiscal year with regard to the consolidation of elementary schools, the Senate has yielded on all amendments relating to this proposal.

These three subjects constitute practically all the matters which remain in disagreement between the two Houses.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Is my understanding correct that all the House conferees are in agreement on this matter that the chairman presents to us from the appropriations subcommittee?

Mr. COLLINS. I am certain they are all in agreement. All the Members have signed except the gentleman from Massachusetts [Mr. CASEY], who, I understand, is out of the city.

Mr. RANDOLPH. The gentleman has every reason to believe, then, that this is a unanimous report?

Mr. COLLINS. I would say it was unanimous, although I would say that the consent to the \$6,000,000 contribution is begrudgingly given.

Mr. RANDOLPH. May I say, because of the gentleman's statement in connection with the lump-sum contribution of \$6,000,000, that I imagine this action is predicated on the feeling on the part of the House conferees on the District appropriation bill that there is a critical condition connected with the financial status of the District of Columbia?

Mr. COLLINS. The agreement was reached purely and simply because a critical condition exists in the District of Columbia and the committee felt the necessity of passing an appropriation bill.

Mr. RANDOLPH. I wish to personally congratulate the gentleman because I do feel that this is a critical time, and I am very certain the action of the committee comes at a most opportune time.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, as the chairman of the District of Columbia Subcommittee of the Appropriations Committee has explained, this agreement was reached between your committee and the Senate committee just a little while ago because a critical condition does exist in the District of Columbia. It is so critical that newspaper headlines scream that money must be borrowed from local banks to pay the District bills.

With regard to our yielding on the \$6,000,000 figure as compared with the House figure of \$5,000,000, I should like to state that we found ourselves in an impasse and yielded begrudgingly to the Senate. I wish to call the attention of the Members of the House to the fact that your committee started out facing a figure of something like \$8,000,000 or more as the lump-sum contribution of the Federal Government to the District. We have been opposed to that amount. Had this critical situation not arisen, I am sure we would not have yielded on the \$6,000,000 figure. But it is merely your committee's report and it is now up to you—every one of you to vote on this report. You can vote against the report and we will go back and fight some more with the Senate. For one, I am willing to do that, as I feel the House figure is sufficient.

I believe your committee should be credited with a considerable amount of saving. I believe the saving will run over \$3,000,000 or \$4,000,000, as you will discover if you give some of your valuable time to a reading of the bill as it comes before you today on the conference report.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman from Mississippi yield?

Mr. COLLINS. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I should like to call the attention of the House to the fact that this is merely a report on the District appropriation bill; that in this bill there is absolutely no attempt to direct a mandate to the legislative committee with regard to taxation. There is nothing in this report that tells the District legislative committee what kind of a tax bill they should write. I sincerely hope the District legislative committee will take that example to heart and not in a tax bill attempt to dictate to the Appropriations Committee what it shall appropriate.

The objection that was raised to the report of the conferees on the District tax bill the other day, from the standpoint of some of us, was based on the fact that the report directly and specifically directed an appropriation for the next fiscal year and for each year thereafter a certain amount. I submit to the Members that the appropriation should be based upon the showing of the need for appropriations as this showing is made before the Appropriations Committee.

As has been stated, the conference report comes in here as a unanimous report from the conferees because of the condition existing. We have passed the opening of

the new fiscal year and the semimonthly pay day comes tomorrow. The other body originally asked for \$7,750,000; the House had appropriated \$5,000,000. The other body then asked for \$6,500,000. So we feel that in finally setting the figure at \$6,000,000 we had come more nearly to the House figure, which was based on what, in the evidence before the Appropriations Committee, seemed to be what was needed.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I merely wish to emphasize the fact that when we brought in a conference report on the District revenue bill we did seek to emphasize the emergent and critical condition that faced the District of Columbia. It is rather interesting, of course, to hear the members of the Appropriations Committee indicate now that this increase to \$6,000,000 was begrudgingly done. There rings in my mind a little couplet from the Vision of Sir Launfal—

Not what we give, but what we share,
For the gift without the giver is bare.

I think the givers might have gone along with the gift, since they gave the \$6,000,000.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is there any provision in this conference report on the appropriations bill for the collection of taxes for the support of the revenues of the District for the next fiscal year, 1940?

Mr. COLLINS. No; this bill will enable the District Commissioners to levy taxes.

Mr. WHITTINGTON. Just as they have done during the year 1939, even if we do not pass the tax bill.

Mr. COLLINS. That is right.

Mr. Speaker, I yield to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, in reply to what the gentleman from Illinois has said in reference to the words "begrudgingly given," I would like to call the attention of the membership of the House to the fact that your committee has been working many weeks on this appropriation bill, and, so far as I am concerned, I do not believe anybody in Washington or anyone in this House really knows right now whether \$2,500,000 or \$5,000,000 or \$8,000,000 is the correct lump sum which should be given to the District of Columbia by the Federal Treasury. Who really knows what we should give, if anything? We believed after the justifications given to us that \$5,000,000 was enough. So far as I am concerned, I believe, from the evidence presented to our committee, that \$5,000,000 is more than enough. My chairman believes that. Practically every member of our committee believes that, and yet we are confronted with a critical and a serious condition which the Commissioners of the District of Columbia have to face. We find the Senate, which demands \$8,000,000, will not yield further. We were faced with 135 or more amendments by the body at the other end of the Capitol, most of them making increases, most of which we succeeded in eliminating.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield for a question?

Mr. COLLINS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. And yet the fact remains you spent or appropriated \$1,000,000 more of the taxpayers' money than the House intended to spend.

Mr. STEFAN. There is no question about that. The gentleman from Kansas knows of my attitude against this spending. I tell him now that every penny of this \$6,000,000 represents taxpayers' money from the States of Nebraska, Kansas, Mississippi, and all the other States of the Union. Something should be done in the District of Columbia to give correct information to this body or the members of the Appropriations Committee so that we may be fair to the people of the District of Columbia and yet be fair to the taxpayers of the various States which we represent. Once the lump sum given was far in excess of the amount here.

Once it was far less. All of the compromises have been through guesswork. The people of the District believe because we have Government property here and the city renders much service for the Federal Government the lump sum should be equal to the service rendered. Congress wants to be fair. Because no one really knows how much the total should be, there is criticism for both sides. So here is a compromise by Members from both House and Senate. There are only three of us. There are 435 Members of this House. Everyone of you is a member of the council for this town. If you think this amount is too much, all you have to do is vote against this report and cut the amount down. I will go along with you. But in the future let us be furnished with the fair amount to which this city is entitled. I know the people in my State want me to be square with the people of Washington and also protect our Treasury.

Mr. BOREN. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. I yield to the gentleman from Oklahoma.

Mr. BOREN. Is it not true that the amount provided in the bill was raised by the Senate to more than \$7,000,000?

Mr. COLLINS. It was raised \$7,750,000 by the Senate, and this conference agreement fixes the amount to be contributed by the Federal Government at \$6,000,000.

Mr. BOREN. Mr. Speaker, I would like to make the observation that I am not going to object to this bill today, but I am serving notice now that any time the Senate raises the District of Columbia appropriation bill from what the House provides from now on, I shall object if the matter is brought up under a similar situation.

Mr. Speaker, inquiries from my colleagues concerning the enormous salaries paid in the motion-picture industry leads me to place in the Record this article from the New York Sun. There is still a worse side of the picture, and that is the thousands of legitimate workers in the film industry who are maltreated and paid starvation wages. The situation would more easily be recognized to have opposite each name of these high-paid executives, the list and annual income of those thousands of extras, stand-ins, property men, and so forth.

Mr. Speaker, one phase of the comprehensive program which is being developed for consideration of the Congress is the divorcement of production from exhibition in the motion-picture industry. Some of my colleagues have made particular inquiry as to the constitutionality of such a proposal. I submit a brief memorandum with reference to that question:

[From the New York Sun of April 7, 1939]

LIST OF HIGH-PAID FILM FOLK

WASHINGTON, April 7.—Motion-picture players, directors, and executives who receive \$50,000 or more in salary or other compensation, as listed by the Treasury for the House Ways and Means Committee, which made the information public today, included these:

Loew's, Inc.: N. M. Schenck, president, \$260,785 in 1936 and \$489,602 in 1937; David Bernstein, vice president and treasurer, \$151,457 in 1936 and \$320,416 in 1937; A. L. Lichtman, vice president, \$129,000 in 1936 and \$147,000 in 1937; L. Friedman, secretary and general counsel, \$57,577 in 1936; C. C. Moskowitz, general manager of theaters, \$71,944 in 1936; Louis K. Sidney, talent executive, \$71,625 in 1936; A. M. Loew, first vice president, \$356,074 in 1937; J. Robert Rubin, vice president, \$641,123 in 1937; Louis B. Mayer, Culver City, Calif., production executive, \$1,161,753 in 1937; Robert Lynch, district sales manager, \$51,450 in 1937; William Rogers, sales manager, \$50,900 in 1937; Ludwig Lawrence, Paris office supervisor, \$57,000 in 1937; S. Eckman, Jr., London office supervisor, \$154,302 in 1937; Howard Dietz, New York, publicity, \$52,500.

Metro-Goldwyn-Mayer Corporation: 1936, Louis B. Mayer, vice-president, \$168,625; Irving Thalberg, vice president, \$167,875; Harry Rapf, vice president, \$104,000; Edward J. Mannix, vice president, \$130,000; Lionel Barrymore, actor, \$129,174; John Barrymore, actor, \$33,333; Freddy Bartholomew, actor, \$39,833; Wallace Beery, actor, \$203,750; Sam Behrman, writer, \$57,000; Constance Bennett, actress, \$38,125; Richard Boleslawski, director, \$78,050; Clarence Brown, director, \$156,000; Charles Butterworth, actor, \$57,749; Lenore Coffee, writer, \$52,616; J. J. John, \$55,500; J. W. Considine, Jr., director, \$77,875; Jack Conway, director, \$147,083; Jacky Cooper, actor, \$43,225; Joan Crawford, actress, \$302,307; George Cukor, director, \$194,166; Nelson Eddy, actor, \$47,541; Stuart Erwin, actor, \$49,791; Madge Evans, actress, \$43,386; Seymour Felix, dance director, \$54,291; Victor Fleming, director, \$85,500; Sidney Franklin, director, \$118,750; Jules Furthman, \$81,791; Clark Gable, actor, \$235,333; Greta Garbo, actress, \$190,000; Cedric Gibbons, art director, \$55,750; Edmund Goulding, director, \$169,500; Albert Hackett,

writer, \$66,791; Jean Harlow, actress, deceased, \$146,130; Ted Healy, actor, \$57,901; Lucien Hubbard, supervisor, \$131,250; Benita Hume, actress, \$65,833; B. H. Hyman, supervisor, \$129,000; Horace Jackson, writer, \$65,500; Talbot Jennings, \$51,850; Allan Jones, actor, \$63,333; Sam Katz, executive, \$119,583; Fritz Lang, director, \$59,333.

Vincent Lawrence, \$73,666; Robert Z. Leonard, director, \$156,000; Albert Lewis, supervisor, \$63,375; Louis A. Lighton, producer, \$127,083; Myrna Loy, actress, \$123,916; Jeannette MacDonald, actress, \$219,400; John Lee Mahin, writer, \$56,499; Herman Mankiewicz, writer, \$51,875; Joseph Mankiewicz, director, \$79,066; John Meehan, writer, \$59,583; Frances Marion, writer, \$79,166; James McGuinness, writer, \$51,875; William A. McGuire, writer, \$97,000; Robert Montgomery, actor, \$142,000; Frank Morgan, actor, \$74,367; Paul Muni, actor, \$218,750; Edna May Oliver, actress, \$71,791; Reginald Owen, actor, \$57,391; Cole Porter, writer, \$75,000; William Powell, actor, \$164,533; Louise Rainer, actress, \$54,124; Basil Rathbone, actor, \$56,500; Walter J. Rubin, director, \$55,541; George Seitz, director, \$57,016; Edgar Selwyn, director, \$113,208; Norma Shearer, actress, \$150,000; Sid Silvers, writer, \$51,083; John M. Stahl, producer, \$96,250; Barbara Stanwyck, actress, \$45,000; Lewis Stone, actor, \$51,914; Hunt Stromberg, supervisor, \$197,583; Benjamin Thau, executive, \$60,283; Franchot Tone, actor, \$76,250; Spencer Tracy, actor, \$115,000; W. S. Van Dyke, director, \$164,500; Hugh Walpole, writer, \$50,416; Clifton Webb, actor, \$63,000; Lawrence Weingarten, supervisor, \$84,125; William Wellman, director, \$128,625; Cary Wilson, writer, \$52,000; Sam Wood, director, \$114,433; Maurice Chevalier, actor, \$74,186.

MAYER GOT \$134,750

Metro-Goldwyn-Mayer Corporation, New York: 1937, Louis B. Mayer, vice president, \$134,750; J. Robert Rubin, vice president and secretary, \$53,000; E. J. Mannix, vice president, \$157,500; Sam Katz, supervisor, \$156,000; Harry Rapf, producer, \$110,166; Zoe Akins, writer, \$76,500; Dorothy Arzner, director, \$50,250; Lionel Barrymore, actor, \$132,739; John Barrymore, actor, \$34,500; Freddy Bartholomew, actor, \$36,899; Wallace Beery, actor, \$190,000; Frank Borzage, producer, \$87,000; Clarence Brown, producer, \$159,000; Nacio Herb Brown, song writer, \$53,166; Arlington Brugh (Robert Taylor), actor, \$173,352; Joseph Calleia, actor, \$55,800; J. J. Cohn, production manager, \$63,600; John W. Considine, Jr., producer, \$92,750; Jack Conway, director, \$168,621; Joan Crawford, actress, \$351,538; George Cukor, director, \$72,083; Roy del Ruth, director, \$148,375; Melvin Douglas, actor, \$59,416; Nelson Eddy, actor, \$103,166; Madge Evans, actress, \$48,196; Seymour Felix, dance director, \$51,041; Nat Finston, music department manager, \$56,516; Victor Fleming, director, \$160,000; Sidney Franklin, director, \$128,583; Arthur Freed, song writer, \$52,970; Jules Furtham, writer, \$84,975; Clark Gable, actor, \$289,000; Greta Garbo, actress, \$472,499; Cedric Gibbons, art director, \$68,250; Ben Goetz, supervisor of foreign productions, \$56,500; Leon Gordon, writer, \$51,166; Jean Harlow, actress, deceased, \$104,967; Ted Healy, actor, \$69,998; Samuel Hoffenstein, writer, \$64,625; Robert Hopkins, writer, \$50,350; Lucien Hubbard, supervisor, \$66,250; B. H. Hyman, producer, \$165,458; Allan Jones, actor, \$83,338; Gus Kahn, song writer, \$53,000; Guy Kibbee, actor, \$50,333; William Koenig, executive, \$81,125; Norman Krasna, producer, \$83,000; Robert Z. Leonard, producer, \$160,000; Louis Lighton, writer and producer, \$158,250; Edmund Lowe, actor, \$105,416; Jeannette MacDonald, actress, \$238,299; Herman Mankiewicz, writer, \$61,250; Joseph Mankiewicz, producer, \$86,774; Jack McGowan, writer, \$78,350; James K. McGuinness, writer, \$66,650; Una Merkel, actress, \$50,224; William Anthony McGuire, writer and producer, \$102,583; Robert Montgomery, actor, \$243,250; Frank Morgan, actor, \$84,983; John Lee Mahin, writer, \$72,791; Edna May Oliver, actress, \$94,425; Cole Porter, song writer, \$76,500; Eleanor Powell, actress, \$79,125; William Powell, actor, \$246,110; Louise Rainer, actress, \$61,499; Howard E. Rogers, writer, \$60,950; Sigmund Romberg, song writer, \$79,000; J. Walter Ruben, director, \$70,000; Peter Schmid, producer, \$53,000; George Seitz, director, \$77,533; Edgar Selwyn, motion picture director, \$119,245; John Stahl, director, \$107,250; Ben Thau, executive, \$81,750; Franchot Tone, actor, \$107,291; Spencer Tracy, actor, \$91,750; Sophie Tucker, actress, \$48,888; W. S. Van Dyke, director, \$178,916; Ernest Vajda, writer, \$76,500; Larry Weingarten, producer, \$119,000; Myrna Loy, actress, \$152,583; Reginald Owen, actor, \$71,525; Jo Swerling, writer, \$50,853; Lewis Stone, actor, \$48,500; Hunt Stromberg, producer, \$265,500; Herbert Stothard, music composer, \$59,175; Carey Wilson, writer, \$55,350; Sam Wood, director, \$134,304; Robert Young, actor, \$58,625.

J. Robert Rubin, New York, vice president and secretary, Metro-Goldwyn-Mayer Distributing Corporation, \$60,131; Felix Feist, vice president, \$57,600; N. M. Schenck, president, Metro-Goldwyn Pictures Corporation, \$52,000; David Bernstein, vice president and treasurer, \$62,400.

WARNERS GOT \$86,666 EACH

Warner Brothers Pictures, Inc.: 1936—H. M. Warner, Albert Warner, and L. L. Warner, \$86,666 each; A. C. Thomas, secretary, \$77,900; S. P. Friedman, vice president, \$52,000; Sam E. Morris, vice president, \$78,000; Herman Starr, vice president, \$52,000; Jacob Wilk, scenario department manager, \$52,000; Robert W. Schless, European sales manager, \$51,534; Harold Arien, song writer, \$58,541; Lloyd Bason, director, \$113,375; Busby Berkeley, director, \$73,750; Sam Bischoff, supervisor, \$78,208; Joan Blondell, actress, \$84,799; Frank Borzage, director, \$109,000; Joe Brown, actor, \$201,562; Harry J. Brown, supervisor, \$87,875; James Cagney, actor, \$49,833; Marc Connelly, writer, \$66,500; Michael Curtiz, director, \$107,200; Delmar Daves, writer, \$60,900; Bette Davis, actress, \$43,133; William Dieterle, director, \$90,833; Al Dubin, song man \$51,016; Ray Enright, director, \$53,750; Kay Francis, actress,

\$227,500; Al Green, director, \$95,000; E. Harburg, musician, \$58,541; Howard Hawks, director, \$63,000; Edward E. Horton, actor, \$35,208; Leslie Howard, actor, \$185,000; Al Jolson, actor, \$85,424; Guy Kibbee, actor, \$68,500; William Koenig, executive, \$52,208; Warren William Kreck, actor, \$85,249; Mervyn Leroy, director, \$146,000; Robert Lord, executive, \$101,466; Archie Mayo, director, \$116,708; Victor Moore, actor, \$23,333; Paul Muni, actor, \$27,777; Pat O'Brien, actor, \$108,750; Dick Powell, actor, \$96,000; Claude Rains, actor, \$60,250; Max Reinhardt, director, \$78,000; Edward G. Robinson, actor, \$80,000; H. B. Wallis, executive, \$184,833; Harry Warren, song writer, \$59,666.

Warner Brothers Pictures Inc.: 1937—H. M. Warner, president, \$115,833; Albert Warner, vice president, \$98,333; J. L. Warner, vice president, \$137,333; S. P. Friedman, vice president, \$52,000; Sam E. Morris, vice president, \$78,000; Herman Starr, vice president, \$52,000; Robert W. Perkins, secretary, \$52,000; Jacob Wilk, scenario department manager, \$52,000; Robert Schless, European sales manager, \$51,983; Busby Berkeley, director, \$83,416; Sam Bischoff, supervisor, \$89,958; Joan Blondell, actress, \$74,833; Frank Borzage, director, \$66,666; George Brent, actor, \$72,374; H. J. Brown, producer, \$81,999; Claudette Colbert, actress, \$117,500; Ricardo Cortez, actor, \$38,208; Michael Curtiz, director, \$123,400; Bette Davis, actress, \$55,199; William Dieterle, director, \$88,667; Al Dubin, song writer, \$54,908; R. Enright, director, \$51,000; Glenda Farrell, actress, \$50,526; Errol Flynn, actor, \$94,761; Bryan Foy, producer, \$55,583; Kay Francis, actress, \$209,100; Hugh Herbert, actor, \$57,792; Edward E. Horton, actor, \$54,166; Leslie Howard, actor, \$140,000; Al Jolson, actor, \$109,000; Boris Karloff, actor, \$40,000; Ruby Keeler, actress, \$60,277; William Keighley, director, \$83,000; Mervyn Leroy, producer, \$153,517; Anatole Litvak, supervisor, \$66,666; Robert Lord, producer, \$120,333; Archie Mayo, director, \$100,750; S. J. Miller, writer, \$53,542; Paul Muni, actor, \$50,000; Frank McHugh, actor, \$59,800; Pat O'Brien, actor, \$119,500; Richard E. (Dick) Powell, actor, \$176,249; Claude Rains, actor, \$46,083; Max Reinhardt, director, \$99,000; Casey Robinson, writer, \$52,650; Edward G. Robinson, actor, \$50,000; Hal Wallis, production head, \$208,083; Harry Warren, song writer, \$64,399.

Warner Bros., Circuit Management Corporation: H. Kalmine, zone manager, \$55,303; J. E. Coston, zone manager, \$56,500; I. J. Hoffman, zone manager, \$58,960; Joseph Bernhard, vice president, \$97,500.

KENT RECEIVES \$179,220

Twentieth Century-Fox Film Corporation: Joseph M. Schenck, chairman, \$118,000; S. R. Kent, president, \$179,220; W. C. Mitchell, vice president, \$52,000; Darryl Zanuck, vice president, \$260,000; William Goetz, vice president, \$104,000; Robert Kane, producer, \$52,000; John D. Clark, \$74,800; Fred Allen, actor, \$60,000; Don Ameche, actor, \$51,833; Warner Baxter, actor, \$225,961; Wallace Berry, actor, \$68,750; Ben Bernie, actor, \$100,000; David W. Butler, director, \$134,333; Eddie Cantor, actor, \$150,000; Earl Carroll, producer, \$17,503; Roy Del Ruth, director, \$162,144; Allen Dwan, director, \$69,666; Stuart Erwin, actor, \$30,000; Alice Faye, actress, \$145,499; John Ford, director, \$57,708; Gene Fowler, writer, \$55,855; Sheridan Gibney, writer, \$55,250; Mack Gordon, composer, \$114,241; Edwin H. Griffith, director, \$64,216; Raymond Griffith, producer, \$107,654; Jack Haley, actor, \$89,541; Sam Hellman, writer, \$67,991; Sonja Henie, actress, \$210,729; Rose Louise Hovick (Gypsy Rose Lee), actress, \$34,166; Julian Johnson, \$65,208; Nunnally Johnson, producer, \$106,250; Henry King, director, \$157,444; Sidney Lanfield, director, \$98,583; Sonya Levien, writer, \$73,333; Kenneth MacGowan, producer, \$86,833; Gene Markey, producer, \$74,125; George Marshall, director, \$62,875; Victor McLaglen, actor, \$164,325; Annabella Murat, actress, \$62,500; Warner Oland, deceased, actor, \$89,999; Ernest Pascal, writer, \$75,050; William Powell, actor, \$43,333; Tyrone Power, actor, \$68,691; Gregory Ratoff, actor and producer, \$97,308; Al Ritz, actor, \$63,923; Harry Ritz, actor, \$63,923; James Ritz, actor, \$63,923; William Robinson, actor, \$53,400; William A. Seiter, director, \$132,458; Simone Simon, actress, \$110,916; John Stone, producer, \$64,161; George A. Somerville, actor, \$90,284; Norman Taurag, director, \$122,000; Gertrude Temple, guardian, \$52,166; Shirley Temple, actress, \$110,256; Harry Tugend, writer, \$55,083; Walter Winchell, actor, \$150,000; Sol M. Wurtzel, producer, \$182,583; Jack Yellen, writer, \$70,100; Loretta Young, actress, \$150,019; Osa Johnson, director, \$57,000.

R. K. O. Radio Pictures, Inc.: Ned E. De Pinet, vice president, \$94,761; Jules Levy, general sales manager, \$51,400; Fred Astaire, actor, \$271,711; Milton Berle, actor, \$50,500; Pandro S. Berman, producer, \$251,347; John Boles, actor, \$35,000; Samuel J. Briskin, producer, \$197,333; Irene Dunne, actress, \$144,888; Douglas Fairbanks, Jr., actor, \$81,312; Preston Foster, actor, \$51,280; Tay Garnett, director, \$105,000; Cary Grant, actor, \$115,625; Howard Hawks, director, \$130,416; Katharine Hepburn, actress, \$203,751; Edward Everett Horton, actor, \$55,333; Edward Kaufman, producer, \$65,041; Jerome Kern, composer, \$72,500; Gregory La Cava, director, \$145,916; Jesse L. Lasky, producer, \$109,166; S. K. Lauren, writer, \$52,500; Rowland Lee, director, \$127,533; Albert Lewis, \$55,416; Herbert Marshall, actor, \$198,166; Nino Martini, actor, \$56,000; Victor Moore, actor, \$82,785; Paul Muni, actor, \$59,285; Dudley Nichols, writer, \$54,875; Jack Oakie, actor, \$164,416; Joe Penner, actor, \$105,333; Lily Pons, actress, \$106,023; Gene Raymond, actor, \$72,083; Ginger Rogers, actress, \$184,583; Mark Sandrich, director, \$108,583; Alfred Santell, director, \$101,000; Nathaniel Schilkret, music director, \$50,416; Edward Small, producer, \$62,648; Barbara Stanwyck, actress, \$142,499; George Stevens, director, \$124,625; Anthony Veiler, writer, \$53,562; Frank Wead, writer, \$53,566; Bert Wheeler, actor, \$89,094; T. J. Wolfson, producer, \$51,241; Robert Woolsey, actor, \$89,094.

THREE HUNDRED AND SEVENTY THOUSAND DOLLARS FOR MISS DIETRICH

Paramount Pictures, Inc.: N. P. Agnew, vice president, \$52,000; Y. F. Freeman, vice president, \$59,800; Kirstin Flagstad, singer, \$20,000; Jean Arthur, actress, \$79,999; Lew Ayres, actor, \$52,500; John Barrymore, actor, \$113,833; Jack Benny, actor, \$60,000; Charles Bickford, actor, \$54,500; Claude Binyon, writer, \$87,500; John Boles, actor, \$50,000; Beulah Bondi, actress, \$53,958; A. M. Botsford, producer, \$62,191; Charles Brackett, writer, \$57,499; Bob Burns, actor, \$242,856; Frank Russell Butler, writer, \$73,875; Claudette Colbert, actress, \$248,055; Gary Cooper, actor, \$238,416; Harry L. (Bing) Crosby, actor, \$190,000; Walter De Leon, writer, \$82,700; Marlene Dietrich, actress, \$370,000; Irene Dunne, actress, \$114,705; W. C. Fields, actor, \$121,333; Howard Estabrook, producer, \$125,458; Francisca Gaal, actress, \$82,958; Lewis Gensler, producer, \$74,958; Benjamin Glazer, producer, \$95,370; Samuel Don Hartman, writer, \$56,766; Henry Hathaway, director, \$101,666; Arthur Hornblow, Jr., producer, \$130,833; Edward Everett Horton, actor, \$70,000; Lucien Hubbard, Beverly Hills, producer, \$134,750; Harold Hurley, producer, \$93,494; Fritz Lang, director, \$67,763; Jeffrey Lazarus, \$51,241; William Le Baron, production executive, \$183,929; James Leisen, director, \$100,593; Albert Lewin, producer, \$88,000; Frank Lloyd, producer, \$166,208; Carole Lombard, actress, \$164,000; Ernst Lubitsch, producer, \$260,833; Ida Lupino, actress, \$77,666; Fred MacMurray, actor, \$92,000; Thomas Leo McCarey, director, \$77,000; Rouben Mamoulian, director, \$118,750; Fredric March, actor, \$150,000; Edwin Justus Mayer, writer, \$68,500; Vincente Minnelli, producer, \$64,735; Boris Morros, musical executive, \$52,333; Margaret Lavelle (Gail Patrick) Fitzpatrick, actress, \$58,333; George Raft, actor, \$219,399; Ralph Rainger, composer, \$65,416; Leo Robin, lyricist, \$65,416; Bogard Rogers, producer, \$55,249; Charles Ruggles, actor, \$133,236; Wesley Ruggles, producer, \$203,051; Alfred Santell, director, \$61,583; Randolph Scott, actor, \$60,333; Fanchon Simon, producer, \$58,742; Preston Sturges, writer, \$134,250; Albert Sutherland, director, \$88,500; Gladys Swarthout, actress, \$61,333; Harlan Thompson, producer, \$85,363; Frank Tuttle, director, \$143,916; Raoul Walsh, director, \$145,000; William A. Wellman, director, \$64,840; Adolph Zukor, chairman, \$210,479; Dale Van Every, writer, \$52,075; King Vidor, director, \$21,428.

Columbia Pictures Corporation: Jack Cohn, vice president, \$104,240; A. Schneider, treasurer, \$84,801; Abraham Montague, general sales manager, \$58,000.

Vitaphone, Inc.: S. C. Einfeld, vice president, \$71,500; Oradwell L. Sears, vice president, \$71,500; Sam Sax, production manager, Vitaphone Corporation, \$51,750.

United Artists Corporation: A. H. Giannini, president, \$78,000; George J. Schaefer, Jr., vice president, \$78,000; Arthur W. Kelly, vice president, \$65,000; A. W. Smith, Jr., sales manager, \$52,000.

R. H. Cochrane, president, Universal Pictures, \$91,825.

Natalie M. Kalmus, Technicolor, Inc., \$56,775.

H. J. Yates, president, Consolidated Film Industries, Inc., \$75,180.

Marion Douras (Davies), Santa Monica, Calif., president, the Cosmopolitan Corporation, New York, \$106,000.

Emanuel Cohen, president, Major Pictures, \$104,000 in 1938.

J. E. Brulatour, president, J. E. Brulatour, Inc., of New York, \$75,000.

J. E. Brulatour, New York, president, J. E. Brulatour, Inc., Hollywood, \$65,000.

Charles Chaplin, Charles Chaplin Film Corporation, \$106,000.

Jack Holt, Darnour, Inc., \$103,654.

Cecil B. DeMille, president, Cecil B. DeMille Productions, Inc., \$51,500.

Walter E. Disney, vice president, Walt Disney Enterprises, \$39,750.

Samuel Goldwyn, Inc., Ltd.: Joel McCrea, \$106,500; Miriam Hopkins, \$130,000; Gary Cooper, \$17,647; Samuel Goldwyn, president, \$163,000; Merritt Hulburd, production executive, \$61,708; George Haight, production executive, \$64,716; Mary Astor, \$22,791; John Boles, \$48,246; Lillian Hellman, writer, \$50,000; Raymond Massey, \$16,000; Barbara Stanwyck, \$56,250; King Vidor, director, \$70,000; Brian Aherne, \$38,000; Ruth Chatterton, \$44,000; Walter Huston, \$25,333; Merle Oberon, \$20,500.

Edward L. Alperson, president, Grand National Films, Inc., \$85,995.

Harold C. Lloyd, president, Harold Lloyd Corporation, \$52,166.

Joe E. Brown, David L. Loew Productions, Inc., \$267,500.

Zeppo Marx, president, Zeppo Marx, Inc., \$78,383; Bobby Breen, Principal Productions, Inc., \$18,024; Basil Rathbone, \$17,708.

Republic Productions, Inc.: Gene Autry, \$29,590; James Gleason, actor and producer, \$22,500.

Hal Roach Studios, Culver City: Constance Bennett, \$40,000; Cary Grant, \$60,000; Oliver Hardy, \$101,200; Patsy Kelly, \$43,199; Stan Laurel, \$75,000; Norman Z. McLeod, director, \$70,000; Hal E. Roach, president, \$104,000; Lydia Roberti, deceased, \$22,350; Roland Young, \$26,666.

B. P. Schulberg, president, B. P. Schulberg Pictures, Inc., \$50,493.

B. P. Schulberg, president, B. P. Schulberg Productions, Ltd., \$102,000.

Selznick International Pictures, Inc.: David O. Selznick, president and executive producer, \$203,500; Mary Astor, \$17,750; Ronald Colman, \$150,000; John Cromwell, director, \$110,500; George Cukor, director, \$80,000; Douglas Fairbanks, Jr., \$32,500; Janet Gaynor, \$100,000; Ben Hecht, writer, \$51,666; Sidney Howard, writer, \$53,500; Carole Lombard, \$150,000; Fredric March, \$334,687; Adolph Menjou, \$27,083; C. Aubrey Smith, \$66,458; William Wellman, director, \$138,500.

Myron Selznick & Co., Inc.: Myron Selznick, president, \$110,825; Albert A. Kaufman, vice president, \$65,000.

H. T. Kalmus, Centerville, Mass., president, Technicolor Motion Picture Corporation of Hollywood, \$60,000.

Samuel Goldwyn, president, United Artists Studio Corporation, \$26,000.

Alfred Newman, musical director, \$65,375.

Walter Wanger Pictures, Inc.: Charles Boyer, \$265,191; Madeleine Carroll, \$114,795; Henry Fonda, \$47,583; Joan Bennett, \$72,000; Sylvia Sydney, \$114,100.

Walter Wanger Productions, Inc.: Walter F. Wanger, president, \$130,000; Irving Cummings, Los Angeles, picture director, \$50,000.

MEMORANDUM ON THE CONSTITUTIONAL BASIS OF THE BILL TO PROHIBIT THE OPERATION OF MOTION-PICTURE THEATERS WHICH ARE OWNED OR CONTROLLED BY PRODUCERS OR DISTRIBUTORS OR IN WHICH PRODUCERS OR DISTRIBUTORS OF MOTION PICTURES HAVE AN INTEREST

The bill is designed to bring about the separation of the business of producing and distributing motion pictures from the business of exhibiting them in theaters. Its principal substantive provision prohibits the operation of motion-picture theaters which are owned or controlled by producers or distributors or in which producers or distributors have an interest. In aid of enforcement it is required that every exhibitor, as a condition of lawful operation, shall file annually with a designated State officer an affidavit to the effect that the requirements of the law are being complied with. Criminal penalties are imposed for violations, and provision is made for civil proceedings, after the manner of antitrust actions, to prevent and restrain violations. The effective date is deferred until 1 year after enactment.

The aim of the bill is to give each community a better opportunity to have the kind of pictures it wishes to see. This end is to be accomplished in part by freeing the local exhibitor from the compulsion to buy whatever the producers offer, exerted through the existence or threat of producer-owned theaters. The bill is intended by this means to give the local exhibitor freedom to respond to the pressure of community standards of taste in his choice of pictures. There is now pending before Congress a bill designed to contribute to the accomplishment of the same end by forbidding the motion-picture trade practices known as compulsory block booking and blind selling. These two bills complement each other, and have in common the goal of a positive effect, to stimulate the production of better pictures, which goes beyond, and may render less necessary the negative effects of censorship laws.

The important constitutional question involved is whether the bill, if enacted into law, would violate the due-process clause of the fourteenth amendment, and this question in turn depends largely upon the facts, for "underlying questions of fact may condition the constitutionality of legislation of this character." (Brandeis, J., in *O'Gorman & Young v. Hartford Fire Ins. Co.*, 282 U. S. 251, 257 (1931).) If the legislature finds from the testimony at the legislative hearings or otherwise that by means of producer-distributor owned or controlled theaters practices are being engaged in contrary to the local public interest and concludes that the breaking up of those practices would give further protection to the morals and welfare of the people, especially of children, then the main foundation will have been laid for the exertion of the legislatures' power. Upon enactment of the bill a presumption of validity will come into play which "must prevail in the absence of some fact foundation of record for overthrowing the statute." (*O'Gorman case*, supra.)

1. There is nothing novel about the power exerted in the bill, but on the contrary it is merely the application of a long-known and well-recognized power to new conditions.

The bill comes within what is commonly known as the police power of the State. "That power extends to all the great public needs. It may be put forth in aid of what is sanctioned by usage, or held by the prevailing morality or strong and preponderant opinion to be greatly and immediately necessary to the public welfare" (Holmes, J., in *Nobla State Bank v. Haskell*, 219 U. S. 104 (1911)). In one respect the bill is an antitrust law to break the power of the producers not over pocketbooks but over public morals. Antitrust laws are too well known to need further comment; all but seven States have them.¹

In another respect the bill is an equally well known form of regulation, the enforced separation of two kinds of business when in the combination the public interest is jeopardized by conflicting interests. When it appeared² a few years ago that many bankers had engaged in the investment business and in stock trading and that as a result banks had acquired interests in particular securities opposed to the interest of the depositors in having the bank's funds invested in securities of general safety, Congress³ and at least two States⁴ passed statutes requiring separation of the businesses of banking and investment. Conditions in the liquor business have prompted many States to forbid manufacturers and wholesalers of liquor to have any interest in

¹ For a discussion of these laws and the limitations upon them, see note 32, *Colum. Law Rev.* 347 (1932).

² See note, *The Banking Act of 1933*, 47 *Harv. Law Rev.* 325 (1933).

³ 48 Stat. 188, 12 U. S. C. A. 377 (1933), amended, 49 Stat. 714, 721.

⁴ N. C. Laws 1933, ch. 303 (422); N. Y. Laws 1935, ch. 302 (1).

a retail liquor establishment or its fixtures.⁵ A widespread investigation in 1930-31 by public-service commissions and legislative committees revealed that gas and electric companies were using their advantageous position in the communities to engage in unfair competitive practices in the retail merchandising of appliances,⁶ and resulted in the enactment by Kansas⁷ and Oklahoma⁸ of statutes forbidding such companies to engage in merchandising. The Supreme Court of Illinois, has held⁹ that grain warehousemen are forbidden by the public nature of their calling to engage in grain trading. And when Congress found that the public was being inconvenienced by discriminatory practices of railroads, which favored with special rates goods from mines or factories in which they were interested, it enacted the "commodities clause"¹⁰ of the Hepburn Act, which forced separation of manufacture and mining from transportation of goods.¹¹

The police power certainly includes regulations of the kind here proposed, though the validity of its exercise may depend at any given times upon the conditions prevailing in the industry and the public interest manifested in respect of those conditions. In the exercise of that power the States have a wide discretion.

It is primarily, but not solely, a matter of legislative judgment whether such evils exist as should be corrected and whether the means selected for their correction have a real and substantial relation to the ends sought to be attained.¹²

The validity of the bill is not imperiled by any doctrine concerning business "affected with a public interest."

The doctrine of "affectation with a public interest" as laid down in the early United States Supreme Court cases involves two elements: (1) The division of all enterprises into two classes, those strictly private in character and those "affected with a public interest"; and (2) the principle that certain kinds or regulations could constitutionally be applied only to the matter. But the doctrine has seldom been discussed by the Court except in cases involving price fixing,¹³ so that it is uncertain what kind of regulations are limited to the second class of enterprises. This bill does not, of course, involve price fixing. Moreover, the Supreme Court has in recent cases minimized the significance of the doctrine, if not repudiated it altogether. In *Nebbia v. New York*,¹⁴ in which, by the way, a price-fixing statute was sustained, the Court said:

"It is clear that there is no closed class or category of business affected with a public interest, and the function of the courts in the application of the fifth and fourteenth amendments is to

⁵ See, for example, Ark. Acts 1935 (3d extraordinary sess. 1934); No. 108 (18); Calif. Deering's Codes and Laws, 1933 Supp. Act 3774 (26); Colo. 1935 Stat. Ann., ch. 89 (7); Fla. Comp. Laws 1927, 1934 Cum. Supp. 7648 (15); 12 Jones Ill. Stat. Ann. 68029, 68030; Ind. 1935 Acts 1092, 1096; Carroll's Ky. Stat., Baldwin's 1936 Rev. (25546-25553).

⁶ See note, 80 U. of Pa. Law Rev. 900 (1932).

⁷ Kansas Laws, 1931, ch. 238 (1-3) held unconstitutional in 137 Kans. 718, 22 p 2d 958 (1933) on ground that it was class legislation designed to benefit the independent retailer at the expense of the gas and electric companies, that it had no relation to the public welfare, and that it was, therefore, a violation of equal protection and due process. This decision carries no weight in regard to the present bill, since the court's findings of fact concerning the purpose of the Kansas statute and its relation to the public welfare required it to reach the result it arrived at.

⁸ Okla. Laws, 1931, ch. 46 (2).

⁹ *Central Elevator Co. v. Peoples*, 174 Ill. 203, 51 N. E. 254 (1898).

¹⁰ 49 U. S. C. A. 1 (8).

¹¹ The commodities clause was interpreted to forbid control of a coal-mining company by a railroad, exercised through stock ownership (*United States v. Lehigh Valley R. R. Co.*, 220 U. S. 257 (1911)).

¹² The substance of the due-process requirement is "that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation to the object sought to be attained," *Nebbia v. New York*, 291 U. S. 502 (1934); *Railroad Retirement Board v. Alton R. R. Co.*, 295 U. S. 330 (1935).

¹³ *Munn v. Illinois*, 94 U. S. 113 (1877) (statute fixing prices for grain warehouse facilities sustained); *German Alliance Ins. Co. v. Lewis*, 233 U. S. 389 (1914) (statute fixing rates for fire insurance sustained); *Wolff Packing Co. v. Court of Industrial Relations*, 262 U. S. 522 (1923) (statute empowering Board to fix wages in meat-packing plant held invalid); *Ribnick v. McBride*, 277 U. S. 350 (1928) (statute fixing fees to be charged by employment agencies held invalid); *Williams v. Standard Oil Co.*, 278 U. S. 235 (1929) (statute fixing price of gasoline held invalid).

In *Tyson v. Manton*, 273 U. S. 418 (1927), a statute of New York fixing fees to be charged by theater-ticket brokers was held invalid. That statute was directed at the practice of ticket "scalping" in connection with legitimate stage productions in New York City, and has no factual and therefore no legal (in the due-process connection) relevance to the motion-picture problem.

In *New State Ice Co. v. Liebmann*, 285 U. S. 262 (1932), the doctrine was used to invalidate a statute requiring a certificate of convenience and necessity from a State officer as a condition precedent to engaging in the manufacture or distribution of ice. This case has likewise no relevance here, since the statute there held invalid would have restricted competition and erected a monopoly whereas one effect of the bill will be to free motion-picture exhibition from certain monopolistic restrictions now burdening it.

¹⁴ 291 U. S. 502 (1934).

determine in each case whether circumstances vindicate the challenged regulation as a reasonable exertion of governmental authority or condemn it as arbitrary or discriminatory (citation omitted). The phrase 'affected with a public interest' can, in the nature of things, mean no more than that an industry, for adequate reason, is subject to control for the public good. * * * There can be no doubt that upon proper occasion and by appropriate measures the State may regulate a business in any of its aspects * * *.

"So far as requirements of due process is concerned * * * a State is free to adopt whatever economic policy may reasonably be deemed to promote public welfare and to enforce that policy by legislation adapted to its purpose."

If a State may adopt any economic policy tending to promote the "public welfare," it may certainly adopt an economic policy designed specifically to promote public morals, especially where the morals of children are involved.

3. The motion-picture industry, particularly the operation of motion-picture theaters, is affected with a public interest.

In one of the early Supreme Court cases¹⁵ discussing the doctrine the Court defined businesses "affected with a public interest" as consisting in part of "businesses which, though not public at their inception, may be fairly said to have risen to be such and have become subject in consequence to some Government regulation. They have come to hold such a peculiar relation to the public that this is superimposed upon them. In the language of the cases, the owner by devoting his business to the public use, in effect, grants the public an interest in that use and subjects himself to public regulation to the extent of that interest, although the property continues to belong to its private owner and to be entitled to protection accordingly."

That the motion-picture industry has risen to become the subject of a vast public interest is beyond dispute. Equally certain is it that there is widespread concern about the industry and its influence upon the public. This concern has been manifested in many ways. It is shown by the fact that a group of sociologists, psychologists, and educators recently made a study¹⁶ of the industry in which they found, first, that 77,000,000 persons attended the movies every week in the United States, of whom one-third are minors and 11,000,000 are under 14 years of age; and, second, that the movies constitute for children a separate powerful system of education, affecting their health, attitudes, emotions, conduct, and social philosophy. The Honorable Samuel B. Pettengill, who introduced the block-booking and blind-selling bill in the House of Representatives, listed 25 organizations, including parent-teachers and church organizations, and individuals who are supporting that bill.¹⁷ Writers in newspapers¹⁸ have urged regulation of the movie industry. In 1930-31 the Federal Council of the Churches of Christ in America conducted an investigation and published its findings under the title "The Public Relations of the Motion Picture Industry," in which the investigators say (p. 50): "Theater operation affects the public's interest from several angles. Theater patrons, and also those in the community who do not attend the theater, are interested in the selection of pictures, the make-up of programs. * * * And again (p. 149): 'The opinion is widespread that the motion-picture industry should be regulated in the public interest.'"

The United States Senate Committee on Interstate Commerce reported favorably¹⁹ the Senate block-booking and blind-selling bill. The courts have also recognized the public interest involved; the United States Supreme Court, in a case²⁰ sustaining an Ohio movie censorship law said: "* * * and not only the State of Ohio, but other States, have considered it to be in the interest of public morals and welfare to supervise moving-picture exhibitions. We would have to shut our eyes to the facts of the world to regard the precaution unreasonable or the legislation to effect it a mere wanton interference with personal liberty."

In view of the many quarters in which concern about motion pictures, particularly the exhibition end of the industry, has been manifested, and in view of the proven influence of pictures upon the manners, dress, and morals of the people,²¹ it would be difficult to discover an enterprise more aptly fitted to the category described by the Court in *Wolff Packing Co. v. Industrial Court*, *supra* (footnote 12).

4. Without regard to legal labels, the States have ample power to control the business of the public exhibition of motion pictures to the extent necessary to protect the general welfare.

¹⁵ *Wolff Packing Co. v. Industrial Court*, 262 U. S. 522 (1923), *supra*, footnote 13.

¹⁶ The "Payne fund studies." See remarks of Hon. Samuel D. Pettengill, in the House of Representatives, CONGRESSIONAL RECORD, August 20, 1935. See also report of the Senate Interstate Commerce Committee on the block-booking and blind-selling bill, Senate Report No. 2378, Calendar No. 2506.

¹⁷ CONGRESSIONAL RECORD, August 20, 1935.

¹⁸ See, for example, Walter Lippmann's column in the New York Herald Tribune of January 12, 1935.

¹⁹ Senate Report No. 2378, Calendar No. 2506.

²⁰ *Mutual Film Corp. v. Ohio Industrial Commission*, 236 U. S. 230 (1915).

²¹ See Recent Social Trend (1935), a study conducted by the Motion Picture Research Council. See also testimony of Mr. Stephen P. Cabot, honorary vice president, Motion Picture Research Council, at the hearings before the House subcommittee in charge of the block-booking and blind-selling bill, March 9, 1936.

The power of the States is abundantly illustrated by statutes already on the books. There are laws forbidding certain kinds of pictures,²² laws setting up licensing or censorship systems,²³ laws regulating the admission of children to theaters. Wisconsin and Ohio²⁴ forbid the lessor or vendor of a film to dictate the days of the week on which the film shall be shown, and New Mexico²⁵ regulates drastically the contracts for and process of distribution of films among exhibitors.

Little, if any, apprehension need be felt in regard to other constitutional objections which may be urged against the bill. Thus it raises no question under the commerce clause, since, designed only to regulate exhibitions within the State, its effect upon interstate commerce will be only indirect (*Mutual Film Corp. v. Industrial Commission*, *supra* (footnote 19)). The contracts clause presents no problem, because, first, to the extent that the distributor-exhibition contracts in the motion-picture business are for terms of 1 year or less, the delay of 1 year in effective date provided in the bill would prevent it affecting those contracts; and, second, all private contracts are subject to the exercise of the State's police power (*Home Building and Loan Assn. v. Blaisdell*, 290 U. S. 398 (1933)). Nor is the bill objectionable under the equal-protection clause. "The equal protection of the laws does not mean that all occupations that are called by the same name must be treated in the same way. The power of the State 'may be determined by degrees of evil or exercised in cases where detriment is specially experienced' (citation omitted)." (Holmes, J., in *Dominion Hotel v. Arizona*, 249 U. S. 265 (1919).)

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. I yield to the gentleman from Pennsylvania.

Mr. RICH. Mr. Speaker, it seems to have been the belief of the members of the House committee that \$5,000,000 was enough, but you are going to surrender to the Senate just because the Senate is willing to stand pat. Who is going to be responsible to the taxpayers for this—the House of Representatives or the Senate?

Mr. COLLINS. I am willing for it to rest on both of them.

Mr. RICH. The gentleman from Mississippi has just made the statement that he is not going to permit the Senate in the future to raise this bill. I want to say to the gentleman that the Senate has raised every appropriation bill that the House has sent over there. The Senate is responsible for increasing the amount of these bills more than the House of Representatives. While the House of Representatives has tried to cut down the amount of these bills, they are still way above what they should be, and the Senate is more responsible for this than anybody else, because every appropriation we have sent over there the Senate has been responsible for increasing it.

Mr. DINGELL. And where are you going to get the money?

Mr. RICH. Yes; where are you going to get the money?

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COLLINS. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Mr. Speaker, in view of the interest that is manifested in regard to this very serious situation by the chairman of the subcommittee of the Appropriations Committee and members of the District Committee, which have been trying to settle this question, it is very interesting to me to observe that the opposition to this bill, particularly, is coming from several States represented on the floor of the House by certain Members because they feel that their States are going to contribute such a tremendous

sum to the cost of the administration of the District government.

Let me just insert these facts in the RECORD.

The figures represent the revenues collected in each State by the Federal Government and also the direct grants—not loans—by the Federal Government to the various States mentioned.

In the State of Colorado the Federal Government collects \$29,000,000, and the Federal Government gives them back \$46,000,000.

In the State of Mississippi the Federal Government collects \$5,100,000 and returns \$41,000,000.

In the State of Nebraska the Federal Government collects \$13,000,000 and gives back \$44,000,000.

As for Oklahoma, the Federal Government collects \$56,000,000 and gives back \$60,000,000.

For South Dakota the Government collects \$1,400,000 and returns \$43,000,000.

In the District of Columbia the Federal Government collects \$29,000,000 and returns \$21,000,000.

Mr. Speaker, I am wondering what is the basis for this opposition to the people of the Capital City of the Nation, which city is rendering such signal service to the Federal Government.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. COLLINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. MOSER) there were—ayes 135, noes 13.

Mr. MOSER. Mr. Speaker, I challenge the vote on the grounds that there is no quorum present, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Pennsylvania objects to the vote upon the ground that there is no quorum present. The Chair will count.

Mr. MOSER (interrupting the count). Mr. Speaker, I withdraw the point of order.

The SPEAKER. The gentleman from Pennsylvania withdraws the point of order.

So the conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

Mr. COLLINS. Mr. Speaker, notwithstanding the adjournment of the House, I ask unanimous consent that the Clerk of the House be authorized to receive a message from the Senate on H. R. 5610, and that the Speaker be authorized to sign the enrolled bill.

The SPEAKER. Is there objection?

There was no objection.

ADDITIONAL CLERK HIRE—CONFERENCE REPORT

Mr. WARREN. Mr. Speaker, I present a conference report and statement upon the bill (H. R. 6205) to provide for additional clerk hire in the House of Representatives, and for other purposes, for printing under the rule.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

Mr. LEWIS of Colorado. Mr. Speaker, I ask the gentleman from Michigan to use some time now.

Mr. MAPES. Mr. Speaker, I yield myself 4 minutes.

As the gentleman from Colorado [Mr. Lewis] has said, this is an open rule. There is no particular reason why it should not be adopted so that the retirement bill reported by the Committee on the Civil Service may be considered by the House.

As to the bill itself, the chairman of the Committee on the Civil Service, the gentleman from Georgia [Mr. RAMSPECK], has very clearly and fairly explained the provisions of it. There are many provisions in the bill which I would like to support. I am in favor of the provisions that improve and perfect the present Retirement Act. It is difficult for one to think straight when his own personal interests are concerned, and the House is confronted with that situation this

²² Illinois Revised Statute (Cahill, 1929), c. 38, 457-59; Iowa Code (1927), 13186; Montana Revised Code (Choate, 1921), 11567; North Carolina Code Annotated (Michie, 1927), 4349 (a); Vermont General Laws (1917), 7023; Texas Revised Penal Code (Vernon, 1928), art. 612.

²³ New York Laws (1933), c. 334; Kansas Revised Statute Annotated (1923), c. 51, 101-12, c. 74, 2201-09 (sustained in *Mutual Film Corp. v. Hodges*, 239 U. S. 248 (1915)); Kansas Laws (1925), c. 196; Ohio Code Annotated (Throckmorton, 1930), 871 (46-53), 154 (46-57) (sustained in *Mutual Film Corp. v. Industrial Commission*, 236 U. S. 230 (1915)); Pennsylvania Statutes Annotated (Purdon, 1930), title 4, 41-58, title 71, 12, 62, 119, 356 (first act sustained in *Buffalo Branch Mutual Film Corp. v. Breittinger*, 250 Pa. 225, 95 Atl. 433 (1915)); Virginia Code Annotated (Michie, 1924), 585 (15-33); Maryland Annotated Code (Bagby, 1924), art. 66A.

²⁴ Wisconsin Laws (1935), c. 307; Page's Ohio Code Service, No. 18 (1936), 1339, 4-1.

²⁵ New Mexico Laws (1933), c. 177.

afternoon. My understanding is that the gentleman from Kansas [Mr. REES], a member of the committee, intends to move to strike out the provision in the bill which provides for retirement pay for Members of Congress. Personally I shall support that motion to strike that provision from the bill. If that motion prevails I shall vote for the remainder of the legislation. It seems to me a poor time for Congress to provide retirement pay for its own Members. I am inclined to agree with the statement I heard one Member make, that if Members of Congress cannot take care of themselves, who can? In any event, it seems to me a poor time to be providing for that kind of legislation, and for myself I expect to vote to strike that provision out of the bill. If that motion prevails I shall vote for the rest of the bill. If it does not I shall vote against it.

Mr. MICHENER. Mr. Speaker, will the gentleman yield? Mr. MAPES. Yes.

Mr. MICHENER. Merely to say that I endorse the statement of the gentleman and shall follow his example.

Mr. MAPES. I thank the gentleman. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I doubt if I would have asked time had I known what the gentleman from Michigan was going to say because his views are identical with mine. I have the very highest regard for the chairman of the Committee on the Civil Service. He has brought some excellent legislation to this House. He is most sincere in his belief in the merits of the civil-service system. I have watched the civil-service system for a long time, and the more we see of it in action the more convinced are we that it is good for governmental purposes. We have had too many new establishments set up here wherein the civil-service provisions were omitted from the law. There is no need of touching on that matter today, but I am in hearty accord with the provisions of this bill that offers retirement opportunities to people who regard their occupation under the Government as their life's work.

For instance, letter carriers and all the different persons designated under the employment provisions on page 7, the first section—postal clerks, city, rural, and village letter carriers, post-office clerks, railway postal clerks, sea-post clerks, and all that list—those are men who are definitely engaged in a life work. Civil-service retirement is their protection. We are for it and strongly in favor of it. I think that we, as Members of Congress, are in a very different situation. There is not a man or woman within the sound of my voice now who regards his membership in the House of Representatives as a life occupation. It cannot be so regarded. It is incidental. Political contingencies that arise in our States are variable from time to time. Our stay here is naturally temporary, depending on local conditions. Therefore, there are other provisions for our personal care, both of our own affairs and that of our families.

Mr. DINGELL. Will the gentleman yield?

Mr. TREADWAY. I prefer not to. My time is quite limited.

Further than that, I consider that we are thoroughly recompensed for the service that we render. Take, for instance, the situation as we face it today, here now we are hurrying, and the country wanting Congress to adjourn just as soon as possible. Nevertheless, if we should leave here next week or within a brief period of time, our salaries continue just the same, whether we are in session or not. It is a very different type of employment. In addition, there is the honor that every Member of this House feels in his membership in this body.

It is not in the classified service but we hold our positions by election of the people. Therefore it seems to me that the attitude of the gentleman from Michigan [Mr. MAPES] to favor this measure provided the opportunity of pension status being granted to Members of Congress is stricken out, is the proper attitude, and I shall heartily support the bill if that amendment is carried. The amendment which I understand the gentleman from Kansas [Mr. REES] ex-

pects to offer to strike this provision allowing pensions to Members, I shall be glad to vote for.

Mr. COX. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. COX. Does the gentleman know of any Member of this body who seriously contends for the adoption of that provision, making provision for Members of Congress? Does he know anybody here who wants the bill with that provision in it?

Mr. TREADWAY. I have not found anyone, but nevertheless it is in the bill and it is here under consideration. It is so reported by the Civil Service Committee.

Mr. COX. Was the measure put in there as a bait for Congress in order to get them to support the bill as drafted?

Mr. TREADWAY. Well, I do not know anything about the conditions under which the bill was drawn. I know it is in the bill and we want to vote it out.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to have inserted in the RECORD a comparison of the present retirement bill and the bill that is under consideration at the present time, and certain charts and tables.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I earnestly hope this bill will be passed, or certain provisions of it. I believe it will be somewhat of a help to a great many civil-service employees. It has the endorsement of many civil-service groups. I am sorry the provision is in it which provides a pension for the Members of Congress, because I feel that that should be in a separate measure and voted up or down on its merits. I am not going to suggest to the Members of Congress how they shall vote upon that, because that lies within the wishes of each individual Member. I am not going to attempt to dictate to them what they shall do. I personally feel strongly against that provision, and I am very sorry it is in the bill and I shall vote to remove it; but I earnestly hope the other provisions in the bill will be passed. If the bill contains the annuities for Members of Congress, I shall be obliged to vote against the bill. We have a great responsibility to the taxpayers of the country; and I mean by that everyone in the United States, as everyone in the United States pays taxes either directly or indirectly. We have a very serious economic condition in the country today. Our responsibility is greater than ever before in all our history.

RETIREMENT AGE GROUP

Existing law

Three age groups—62, 65, and 70. Retirement compulsory upon attaining age prescribed for group in which employed after completing 15 years of service.

Proposed changes in S. 281

Two age groups—65 and 70, eliminating 62-year group, the employees of which will hereafter be assigned to the 65-year group. Service requirement for compulsory retirement continued at 15 years.

RETIREMENT OPTIONS

Employees who have served at least 30 years may retire at own option 2 years earlier than normal retirement age—that is, at age 60, 63, and 68.

(a) Uniform optional retirement age for all employees regardless of compulsory retirement age groups in which employed. Option to be exercised either by the Government or employee. Employee must have reached age of 60 years and rendered 30 years' service or attained age of 62 years and rendered at least 15 years of service. Government's option limited to those cases in which employee is disqualified for efficient service. Employing office must give notice to employee before requesting his retirement by the Civil Service Commission, which Commission will conduct necessary examination to determine whether request is justified.

Existing law

In case of recovery from disability, annuitant carried on rolls for 90 days from date of examination showing recovery unless reemployed prior to expiration of such period.

All claims for disability annuity must be executed prior to employee's separation from service or within 6 months thereafter.

INVOLUNTARY SEPARATION, NOT BY REMOVAL FOR CAUSE ON CHARGES OF MISCONDUCT OR DELINQUENCY

After 45 years of age with 15 years of service, employee may elect annuity upon attaining retirement age or decreased annuity of equivalent value beginning at 55 years of age. If 55 when separated, deferred annuity at retirement age or immediate decreased annuity. Or employee may elect refund of retirement deductions with interest at 4 percent to date of separation.

VOLUNTARY SEPARATION OR DISCHARGE FOR CAUSE

Refund of sum to credit of employee's individual account with interest at 4 percent to date of separation.

Proposed changes in S. 281

Employee granted right of appeal from original decision and may appear or be represented by person of his choice in any hearing on his case.

(b) Voluntary retirement on part of employee after reaching age 55 and serving 30 years or more on a reduced annuity having a value equal to present worth of annuity at 60 years of age.

DISABILITY RETIREMENT

Ninety-day period extended to 1 year.

Permits waiver of 6 months' limitation in cases of employees who at date of separation or within 6 months thereafter are adjudged mentally incompetent, the claim in such cases to be executed within 1 year from restoration to competency or appointment of fiduciary, whichever is earlier.

At any age with aggregate of 5 years of service, employee may elect annuity at 62 or decreased annuity of equivalent value at 55. Interest at 3 percent allowed on individual account from date of separation to date annuity begins.

With aggregate of 5 years of service, annuity allowable at age 62, interest being allowed at 3 percent from date of separation to date annuity begins. (This protects the employee and makes unnecessary any merging of civil service retirement and social-

Existing law

Excludes postmasters except those of the first, second, and third classes who have been promoted, appointed, or transferred from the classified civil service.

Government's portion of annuity limited to \$30 for each year of service, not exceeding 30 years, such amount not to exceed three-fourths of average salary for 5 highest years.

Life annuity, or increased life annuity, with forfeiture of individual account.

Three and one-half percent of basic salary.

Proposed changes in S. 281

security benefits to insure against want in old age.) If less than 5 years of service, refund of individual account with 4 percent interest to date of separation.

COVERAGE

Includes all classified postmasters, including those of the fourth class.

Includes Congressmen, Senators, Delegates, and Resident Commissioners at their option, no requirement for automatic retirement at any age applying to legislative officers.

COMPUTATION OF ANNUITY

Continues existing Government annuity with the added provision that this portion of the annuity shall not be less than the annuity purchased by the amount credited to employee's individual account with interest.

TYPES OF ANNUITY

Same as existing law, with added option on part of employee retiring on account of age and service to receive a reduced annuity with provision that upon his death payments will continue to a duly designated beneficiary during life of such beneficiary in an amount equal to or one-half the annuity received by the employee. This option not effective if employee dies within 30 days after effective date of retirement.

DEDUCTIONS FOR RETIREMENT FUND

Five percent of basic salary. Employee accorded privilege of depositing additional sum up to 10 percent of salary in multiples of \$25 to purchase additional annuity, 3-percent interest allowable on such additional deposits. Refund of such additional deposits with interest may be made upon death or separation from service before retirement.

Showing on basis of fixed annual salary of \$10,000 the approximate accumulations of salary deductions (with interest) and the annuities payable to Members retiring in 1940, 1945, 1950, and 1960 under S. 281, as amended June 14, 1939, at attained ages 62, 65, and 70 after service of 15, 20, 25, and 30 years (male, nonforfeiture plan)

RETIREMENT IN 1940

	Service, 15 years, attained ages—			Service, 20 years, attained ages—			Service, 25 years, attained ages—			Service, 30 years, attained ages—			Fixed salary
	62	65	70	62	65	70	62	65	70	62	65	70	
Accumulations.....	\$6,824.88	\$6,824.88	\$6,824.88	\$9,266.08	\$9,266.08	\$9,266.08	\$9,266.08	\$9,266.08	\$9,266.08	\$9,266.08	\$9,266.08	\$9,266.08	\$10,000
Annuity:													
Member.....	572.85	616.02	705.92	777.75	836.36	958.43	777.75	836.36	958.43	777.75	836.36	958.43	
Government.....	572.85	616.02	705.92	777.75	836.36	958.43	777.75	836.36	958.43	900.00	900.00	958.43	
Total.....	1,145.70	1,232.04	1,411.84	1,555.50	1,672.72	1,916.86	1,555.50	1,672.72	1,916.86	1,677.75	1,736.36	1,916.86	
Salary-deduction period.....		1925-40			1920-40			1920-40			1920-40		

RETIREMENT IN 1945

	Service, 15 years, attained ages—			Service, 20 years, attained ages—			Service, 25 years, attained ages—			Service, 30 years, attained ages—			Fixed salary
	62	65	70	62	65	70	62	65	70	62	65	70	
Accumulations.....	\$7,732.08	\$7,732.08	\$7,732.08	\$10,999.53	\$10,999.53	\$10,999.53	\$13,969.62	\$13,969.62	\$13,969.62	\$13,969.62	\$13,969.62	\$13,969.62	\$10,000
Annuity:													
Member.....	648.99	697.90	799.76	923.24	992.83	1,137.73	1,172.54	1,260.91	1,444.93	1,172.54	1,260.91	1,444.93	
Government.....	648.99	697.90	799.76	923.24	992.83	1,137.73	1,172.54	1,260.91	1,444.93	1,172.54	1,260.91	1,444.93	
Total.....	1,297.98	1,395.80	1,599.52	1,846.48	1,985.66	2,275.46	2,345.08	2,521.82	2,889.86	2,345.08	2,521.82	2,889.86	
Salary-deduction period.....		1930-45			1925-45			1920-45			1920-45		

RETIREMENT IN 1950

	Service, 15 years, attained ages—			Service, 20 years, attained ages—			Service, 25 years, attained ages—			Service, 30 years, attained ages—			Fixed salary
	62	65	70	62	65	70	62	65	70	62	65	70	
Accumulations.....	\$8,740.32	\$8,740.32	\$8,740.32	\$12,103.30	\$12,103.30	\$12,103.30	\$16,078.66	\$16,078.66	\$16,078.66	\$19,692.22	\$19,692.22	\$19,692.22	\$10,000
Annuity:													
Member.....	733.62	788.91	904.05	1,015.89	1,092.45	1,251.89	1,349.56	1,451.27	1,663.08	1,652.86	1,777.44	2,036.85	
Government.....	733.62	788.91	904.05	1,015.89	1,092.45	1,251.89	1,349.56	1,451.27	1,663.08	1,652.86	1,777.44	2,036.85	
Total.....	1,467.24	1,577.82	1,808.10	2,031.78	2,184.90	2,503.78	2,699.12	2,902.54	3,326.16	3,305.72	3,554.88	4,073.70	
Salary-deduction period.....		1935-50			1930-50			1925-50			1920-50		

Showing on basis of fixed annual salary of \$10,000 the approximate accumulation of salary deductions (with interest) and the annuities payable to Members retiring in 1940, 1945, 1950, and 1960 under S. 281, as amended June 14, 1939, at attained ages 62, 65, and 70 after service of 15, 20, 25, and 30 years (male, nonforfeiture plan)

RETIREMENT IN 1960

Accumulations.....	\$9,967.01	\$9,967.01	\$9,967.01	\$14,822.45	\$14,822.45	\$14,822.45	\$18,914.02	\$18,914.02	\$18,914.02	\$23,892.06	\$23,892.06	\$23,892.06
Annuity:												
Member.....	836.58	899.63	1,030.93	1,244.12	1,337.89	1,533.15	1,587.55	1,707.20	1,956.35	2,005.38	2,156.52	2,471.25
Government.....	836.58	899.63	1,030.93	1,244.12	1,337.89	1,533.15	1,587.55	1,707.20	1,956.35	2,005.38	2,156.52	2,471.25
Total.....	1,673.16	1,799.26	2,061.86	2,488.24	2,675.78	3,066.30	3,175.10	3,414.40	3,912.70	4,010.76	4,313.04	4,942.50
Salary-deduction period.....		1945-60			1940-60			1935-60			1930-60	

\$10,000

Examples of superannuation benefits payable under tentative retirement outline for legislation officers

[Illustrations are hypothetical and approximate. Benefits are prospective and are based on a fixed salary of \$10,000 per annum, contributions at 5 percent of salary during all service credited, and interest allowed on contributions computed at 4 percent during service and at 3 percent after separation to beginning date of annuity]

	Hypothetical examples														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Age at separation.....	40	38	44	60	51	70	58	77	68	72	66	82	74	50	58
Period of service in years.....	6	8	10	14	16	18	20	30	17	38	24	32	34	11	28
Officer's 5 percent contributions.....	\$3,000.00	\$4,000.00	\$5,000.00	\$7,000.00	\$8,000.00	\$9,000.00	\$10,000.00	\$15,000.00	\$8,500.00	\$19,000.00	\$12,000.00	\$16,000.00	\$17,000.00	\$5,000.00	\$14,000.00
Interest allowed during service, minus tontine.....	302.20	587.32	977.30	2,106.41	2,824.61	3,767.25	4,824.60	12,921.33	3,446.83	23,799.53	7,197.93	14,909.13	17,446.93	1,405.32	10,620.02
Total account at separation.....	3,302.20	4,587.32	5,977.30	9,106.41	10,824.61	12,767.25	14,824.60	27,921.33	11,946.83	42,799.53	19,197.93	30,909.13	34,446.93	6,905.32	24,620.02
Interest accretions after separation.....	2,963.70	4,534.58	4,150.27	556.68	4,162.21		1,497.84							2,941.91	2,355.05
Total individual account at date annuity begins.....	6,265.90	9,121.90	10,127.57	9,663.09	14,986.82	12,767.25	16,322.44	27,921.33	11,946.83	42,799.53	19,197.93	30,909.13	34,446.93	9,847.23	26,975.07
Benefits:															
Age, when annuity begins.....	62	62	62	62	62	70	62	77	68	72	66	82	74	62	62
Amount of benefit:															
Officer's purchasable annuity.....	\$525.93	\$765.64	\$850.06	\$811.07	\$1,257.92	\$1,320.57	\$1,370.02	\$3,613.47	\$1,167.37	\$4,698.08	\$1,778.08	\$4,458.90	\$4,032.18	\$826.53	\$2,264.15
Government annuity.....	525.93	765.64	850.06	811.07	1,257.92	1,320.57	1,370.02	3,613.47	1,167.37	4,698.08	1,778.08	4,458.90	4,032.18	826.53	2,264.15
Total annuity.....	1,051.86	1,531.28	1,700.12	1,622.14	2,515.84	2,641.14	2,740.04	7,226.94	2,334.74	9,396.16	3,556.16	8,917.80	8,064.36	1,653.06	4,528.30

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Speaker, during the 5 minutes that have been allotted to me I want to direct attention to the particular portion of the bill, being a part of section 3, which provides that Members of the House and Members of the Senate may take advantage of retirement service if they desire to do so. I take the floor at this time to tell you that I shall expect at the proper time to offer an amendment to strike that particular paragraph from this bill. In the first place, Members of Congress are not under civil service. They are elective officers. It seems to me that we are taking advantage of a situation by adding a clause and trying to get this kind of legislation passed when we seem to fear to bring such legislation in under a separate bill. In other words, this particular piece of legislation should stand or fall on its own merits. If there is demand for it from the Members of Congress or from the people of the country, and I feel sure the people are not asking for it, then let us consider it under a separate bill, but let us not put it in a bill that is simply to modify or amend or change our present retirement system.

A great deal of effort and time has been spent to provide fairer legislation for those in civil service. Then we put in a section which puts in postmasters, who under our system of blanketing in are put under the bill, and then when we go that far we seem to have taken another step and allow Members of Congress to share its benefits. It is not a very good time and it does not come with very good grace to enact this kind of a measure.

Mr. COX. Does the gentleman think we have reached the stage when it would be advisable for Congress to seek to graft upon the General Government by contributing a pension for its Members?

Mr. REES of Kansas. I am glad the distinguished gentleman from Georgia raised the point. I do not think so. I think there never should be a time when that sort of thing could be done.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. MURDOCK of Arizona. Should we call this proposal a pension, or is it a businesslike retirement plan? I agree that if it is in this measure as a bait to draw votes to pass the bill, I am against it; but I wonder from the general tenor of the gentleman's remarks whether he would be in favor of some kind of retirement for Members of Congress if it should be placed in another bill and properly drawn and considered?

Mr. REES of Kansas. I am not in favor of any kind of retirement for Members of Congress where the taxpayers' money is being used to provide for the retirement.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. Gladly.

Mr. RICH. Ultimately we will have everybody on the Government pay roll, either in the form of a salary or a pension. Where are you going to get the money to pay all these bills?

Mr. REES of Kansas. The gentleman from Pennsylvania can answer that just as well as I. I do not know, but nobody seems to care the way we are operating these days.

Mr. RICH. That is the point, nobody cares. What is going to happen to your children and your children's children?

Mr. HOFFMAN. And your children's children's children?

Mr. RICH. And your children's children's children's children's children?

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. BENDER. How can any Member go back and ask his electorate to return him to this body when he votes for a pension for himself? Is it not a signal to the electorate to retire him for his effort to retire himself on pension?

Mr. REES of Kansas. I will let the gentleman answer his own question when he votes on the amendment I shall offer to strike out this particular section of the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. LEWIS of Colorado. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the New York Sun.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CIVIL SERVICE RETIREMENT

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 281) to amend further the Civil Service Retirement Act, approved May 29, 1930; and pending that, I ask unanimous consent that it shall be in order to consider the substitute amendment recommended by the Committee on the Civil Service now in the bill, that such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill, and that any Member may demand a separate vote in the House on any of the amendments adopted in Committee of the Whole to the bill or committee substitute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 281) to amend further the Civil Service Retirement Act, approved May 29, 1930, with Mr. CLARK in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. RAMSPECK. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, my friend and colleague, the gentleman from Kansas [Mr. REES], has announced that he proposes to offer an amendment to strike out the language giving an option to Members of Congress and to Senators to participate in this fund. Let me say to the membership that we have provided a social-security plan for 40,000,000 private employees in this country, a civil-service retirement plan for some 550,000 people who draw their pay from the Federal Government; and I see no reason why we should deny to ourselves the protection we have extended to more than 40,000,000 people in this country, especially when it is based upon a contributory plan and is the same in principle as that applied under the Social Security Act, the Railroad Retirement Act, and under the Civil Service Retirement Act to our own employees and other employees of the Federal Government. I hope this Committee will vote down such an amendment. Let us for once have courage to do something for ourselves while we are setting up a social-security system for everybody else in the country.

This is not a political grab bag that we are setting up here. If a man serves here for 15 years under this plan and contributes \$500 a year out of his salary he has to reach age 62 before he gets an annuity, and then he will get \$1,673.16 a year.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I am glad to yield to my colleague.

Mr. COX. What contribution does the Federal Government make to this annuity?

Mr. RAMSPECK. Exactly the same that the Member of Congress would make.

Mr. COX. How much per year?

Mr. RAMSPECK. It would be \$500 per year.

Mr. COX. That is taken out of the pots and pans of the poor people of the gentleman's district as well as mine.

Mr. RAMSPECK. Not any more than the gentleman's salary and my salary. I may say to the gentleman I think it is warranted and it is justifiable and that we have just as much right to do for ourselves the thing we are doing for others as we have to do it for them.

Mr. RICH. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman states that the Federal Government pays in \$7,500 and the individual Congressman would pay in \$500 a year for 15 years, which would be \$7,500. That is a sum total of \$15,000.

Mr. RAMSPECK. That is right.

Mr. RICH. And at retirement you will receive back for 15 years' service an annuity of \$1,673.16.

Mr. RAMSPECK. That is right.

Mr. RICH. The interest on \$15,000 at 4 percent would be \$600. You will be short over \$1,000 a year over and above the interest that you will receive from the investment of this money at 4 percent. You will be that much short of what you take in. Where in the world are your children's children and your children's children's children's children going to get the money to pay that additional \$1,073.16?

Mr. RAMSPECK. I do not agree that the gentleman's figures are correct. According to the computation made by the actuaries, a person who serves 15 years would have accumulated in the fund \$9,967.01. Of course, \$7,500 of that would be his actual payments and the balance would be interest. The Government would contribute an equal amount and the annuity would be \$1,673.17. Those figures are furnished by the actuaries connected with the Civil Service Commission, and I assume them to be correct.

Mr. RICH. The only thing about that is that the figures we get from these actuaries that come here do not ring true to good sound business. You are going to compel taxes to be paid in the amount that they will receive and you are sinking the ship. You will never get us out.

Mr. RAMSPECK. May I ask the gentleman if he voted for the social-security law?

Mr. RICH. There might be some justification in trying to give social security to some other people so that they can get \$40 a month, that would amount to some compensation to them, but here you are trying to give Members of Congress three times as much.

Mr. RAMSPECK. And we are paying in three times as much and more.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BENDER. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Ohio.

Mr. BENDER. In the biographical index of the Congressional Directory there is listed the vocations of the various Members of Congress. There are listed lawyers, publishers, insurance men, department-store managers, and so forth. Is it not a fact that almost without exception every Member of Congress is engaged in some form of business or profession other than that of being a Member of Congress and that he has some other source of income other than that received as a Member of Congress?

Mr. RAMSPECK. If the gentleman asks my opinion, I would say that I doubt if 15 percent of the Members of this House today have any other source of income than their salaries here. If a man stays here 10 years or more, he will find it very difficult to reestablish himself back home in whatever business or profession he may follow. I am serving my tenth year here. I am a lawyer. If I have to go back home and start practicing all over again, I know I would find it very difficult. I think that if we can furnish some

security for the Members of Congress, they will be more independent in their attitude toward legislation, and it will help to get better legislation for this country.

Mr. PARSONS. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Illinois.

Mr. PARSONS. How many years does a Member have to serve before he would be entitled to any benefit and what age would he have to be before he participates?

Mr. RAMSPECK. He must serve a minimum of 5 years to be a beneficiary under this act. If he serves less than that he gets back all he has contributed, plus 4-percent interest. If he serves 6 years and retires from Congress and is not old enough to receive an annuity—in other words, he is less than 55 years of age—the money he has contributed stays in the trust fund until he reaches 55 and at that time he can draw an annuity which will be based upon his contributions and his age at the time.

Mr. PARSONS. There are different rates for the various ages and for the years of service he has put in the House?

Mr. RAMSPECK. Yes. It is computed upon an actuarial basis.

Mr. PARSONS. If he serves 10 years, then retires from Congress, he cannot draw anything until he reaches the age of 55?

Mr. RAMSPECK. That is the minimum age at which he can get an annuity.

Mr. MASSINGALE. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I am concerned about one feature of the bill. I am not contending that the bill is not justified, especially as applicable to some Members of Congress; but I think there is a difference in the status of a Member of Congress who goes out and by his wiles or his ability of some sort is able to get himself elected to this position of honor that pays \$10,000 a year and the fellow who qualifies himself to do some kind of clerical work for the Government of the United States. In addition to that, there is another thing that would bother me, not because I fear it will have anything to do with my reelection. We are in the midst of a period now where there is a great deal of unrest. The people are depressed. There are hundreds of thousands of people all over this country who would be tickled to death if they could get \$10,000 in 20 years. Here we are getting \$10,000 a year. Does the gentleman from Georgia think it is really in good taste to insist upon the passage of this provision under the circumstances?

Mr. RAMSPECK. Yes, I do; just as much as it is for us to do that very thing for the man downtown in one of the executive departments who is drawing just as much money as we are and who comes under this law today, and just as much as by title II of the Social Security Act we provide for 40,000,000 people in private employment. We should not deprive ourselves of this opportunity simply because we get elected to the Congress.

As far as I am concerned, I am not afraid to go back home and face my people on this issue and talk to them about it. I believe we are entitled to an annuity system the same as any other person in this country.

Mr. MASSINGALE. I agree with the gentleman in some respects, but my thought is this: Is it right and is it good propriety for us, as representatives of the people of the United States, to vote ourselves an additional salary?

Mr. RAMSPECK. It is not an additional salary; it is an annuity and I believe it is right. [Applause.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I am using this time to discuss again exactly the same proposal I discussed a few minutes ago. I want to express my appreciation to our distinguished chairman, Mr. RAMSPECK, for his fairness and for the fine manner in which he has handled this and other legislation that has been presented to the Committee on the Civil Service. I want to pay tribute to him because of the effort that he has put forth, as well as the earnest consideration he has given such measures. His judgment commands the respect of the membership of this House. Here

is a measure that contains a provision that would permit Members of Congress, elective officials if you please, take advantage of civil-service retirement and permit the Federal Government to contribute to the payment of retirement annuities on their behalf. For the life of me, and I am expressing my own opinion, I cannot see why this legislation should ever be brought to the House in connection with a bill to amend the law affecting civil-service employees.

Is the House expected to let it ride through just because it happens to be a part of that bill? We have been following that practice a little too much in this Congress, and there is another body that does it more than we do. If this provision is worth while, and if the Members of the Congress want it, then bring it in as a separate measure, but not as a part of this most important bill.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Georgia.

Mr. COX. Does not this proposal impress the gentleman with the idea that we are undertaking to take advantage of the position of trust we occupy and to pinch something for ourselves off the fund that passes through our hands? In other words, is it not an abuse of the confidence the people in our respective districts have reposed in us?

Mr. REES of Kansas. I believe the gentleman is correct. Furthermore, I am afraid it is an abuse of authority that has been granted to us as Members of this great body.

Mr. COX. Does not the gentleman believe that the people in the districts back in the country, when informed of what we have done if we adopt this bad proposal, will take action with respect to whipping out of public life every man who votes for this bill?

Mr. REES of Kansas. It is my humble opinion that the people will not only lose respect for this membership but they will likewise be pretty much disappointed in us.

Mr. COX. It will prove to be a retirement bill, and very much more quickly than those sponsoring it now figure.

Mr. REES of Kansas. I am afraid it will.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Missouri.

Mr. ROMJUE. I expect to support the gentleman's amendment when he offers it, but I wish to ask the gentleman if it does not appear to him that there is no need to make this expenditure. Is not this a time when we ought not to make expenditures that are not necessary? And your amendment should be adopted, striking out the annuity for Members of the House and Senate.

Mr. REES of Kansas. This most certainly is a time when we should not be offering a gesture of this kind. It is certainly a time, it seems to me, when we should attempt to cut down expenses, no matter what the amount may be. The very principle of this provision, I believe, is wrong. I will agree with the gentleman from Georgia [Mr. RAMSPECK] that you do not have to take advantage of it if you do not want to. Each Member of Congress can do as he pleases about that. Let us get it straight that you are not compelled to take advantage of it. But I believe what the gentleman from Oklahoma [Mr. MASSINGALE] said a moment ago—that it is not in very good taste.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. For a brief question.

Mr. RICH. Does the gentleman believe that the people who elected the Members of Congress to come here and serve them had any thought that the Members would try to do anything at the expense of the taxpayers that would in any way further their own interests while serving here or after they cease to serve here?

Mr. REES of Kansas. Not intentionally, anyway.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman is a member of this committee, and I should like to ask him a question. Is it not true that this bill provides generally for a very material

increase in the contributions from the Federal Treasury toward retirement and annuity benefit payments?

Mr. REES of Kansas. My contention is that this bill does increase such payments. However, our distinguished chairman feels that in the general change in the measure it does not make much difference so far as all the civil-service employees are concerned. It is my own personal judgment that it does create a considerable additional expense on the part of the Government, and with this amendment in the bill there is no question about it.

Mr. WHITTINGTON. I asked the gentleman that question because he is the ranking member of the committee. I have a very high regard for the views of the chairman of that committee, but I believe it is peculiarly unfortunate that, in connection with a bill where there is at least room for the contention that the Federal contribution for retirement is being increased, Members of the House and Members of the Senate should be included.

Mr. REES of Kansas. Of course, that is my contention, too.

Mr. WHITTINGTON. I believe it is in bad taste.

Mr. REES of Kansas. That is my position. It is not right.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Always glad to yield to my good friend from Nebraska.

Mr. STEFAN. May I say to the gentleman from Kansas that I agree with everything he has said on this question, but may I ask the gentleman if his amendment will be to strike out that section which deals with the retirement of Members of the House and of the Senate?

Mr. REES of Kansas. The gentleman is correct.

Mr. STEFAN. I wish to say I will support the gentleman's amendment.

Mr. REES of Kansas. I am glad to have the opinion of the gentleman from Nebraska, whom I have observed always gives his most careful and earnest consideration on the measures of importance that are presented on the floor of this House.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I am glad to yield to the gentleman from Arkansas.

Mr. TERRY. We have heard the merits of the congressional provision of this bill discussed very fully, but I should like to hear the gentleman discuss the merits of some of the other features of the bill. No one has done that yet.

Mr. REES of Kansas. I should be glad to do so, but I thought the gentleman from Georgia explained the general features of the bill pretty well a while ago.

I would not like to take up too much time on those changes, because I am particularly interested in the amendments I expect to propose in a few minutes.

I am not, on this occasion, offering objections to the portions of the bill. I am directing your particular attention to paragraph G which should be stricken out.

Something was said about our contribution to this fund. We do not even take any chance if we put our money into this fund, even if we go out of office. If we had been here for 2 years and had paid in our money, even then under this section we are entitled to receive our money back with interest on it from the Government. So we are not only protected, but we are getting our money back with interest on it at the proper time. So, I say to you that we do not even take a chance if we make our contribution to the fund.

I say to the Members, just use your own judgment. If you think the Members of Congress are entitled to this, if you think as a matter of right we ought to do this so far as you are individually concerned, well and good, but I do not think now is the time and I cannot think of any other time when Members of Congress, with all of the trust that is imposed in them, or is expected to be imposed in them, should attempt in anywise to dip into the Federal funds in this way. It just is not in good taste. It is not fair to the Government or to the people.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to my distinguished colleague from Oklahoma.

Mr. JOHNSON of Oklahoma. The gentleman does not seriously believe this body is going to pass this bill with a clause in it granting pensions to Members of Congress?

Mr. REES of Kansas. I will say to the gentleman that I do not know. In view of a lot of extravagant legislation that has been passed by this Congress, it is rather difficult to hazard a guess. I certainly hope not.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. COFFEE of Nebraska. I shall be pleased to support the gentleman's amendment, and I may say that I believe the people of this country are expecting Congress to pay more attention to the question of Federal expenditures than they are to providing retirement funds for the Members themselves. [Applause.]

Mr. REES of Kansas. I think the gentleman is right in his statement. I appreciate his contribution.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. REES of Kansas. Yes; glad to yield to the distinguished gentleman from New York.

Mr. TABER. Does not the gentleman think that if the House should adopt this provision giving Members of Congress an opportunity to receive a large amount of money from the Federal Government—and it really is that—that we are going back on the duty we owe our constituents at this time?

Mr. REES of Kansas. I think the gentleman is correct, and along with that I have in mind the very principle of the thing—the very idea of doing a thing of this sort. It just will not do, and you know it. [Applause.]

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. I am against the amendment in this measure that provides pensions for Members of Congress.

I know that public life is about as strenuous as any vocation. I know that public service takes more of one's energy, time, and industry than almost any other vocation, but no one drives us to public service. All of us, I believe, are in public life because we enjoy it and, irrespective of the difficulties, the time and energy required, there is not one of us who is not concerned about remaining in public life as long as our people are willing to have us remain there. I never knew a Member of Congress who ever died in the poorhouse; in fact, when Members of Congress leave here, as a rule, if they are lawyers there is a lucrative practice awaiting them at home or they hang up a shingle here in Washington to practice before various Government bureaus. My own United States Senator hung up his shingle after his defeat last year and I am told has a very fine practice here in the city of Washington. I know several Members of the House in my home city who are now practicing law and doing very well. I believe, from an examination of the Congressional Directory, that practically every Member of this House is engaged in some other work.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BENDER. Yes.

Mr. MURDOCK of Arizona. Did I understand the gentleman to say that he feels that a Member of Congress cannot live in Washington on the salary that he is receiving? In that case, unless he has an independent income, he must borrow money to be a Congressman.

Mr. BENDER. I did not say that. I said that in connection with his service and his campaign and the time required by his service here, that it is necessary for him to have some other means of support. I believe, from an examination of the Congressional Directory, that, with the exception of possibly two dozen Members of Congress, the Members do have means of support other than the salary they are receiving.

Mr. MURDOCK of Arizona. I think the gentleman's estimate is far too high on that particular. Would the gentleman be in favor of having a requirement that a member of a lawmaking body such as this should have an independent income in addition to his salary? If so, why not do away with salaries and let rich men write our laws? Do the American people want that?

Mr. BENDER. Frankly, one never knows whether he will be continued here in Congress or not. The great majority of the Members, before they came here, were successful businessmen, lawyers, or publishers, or were engaged in some field of endeavor which distinguished them in their own communities, which provided them with the opportunity to represent their constituents in this body.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BENDER. Yes.

Mr. JOHNSON of Oklahoma. Permit me to say to the gentleman that I am opposed to the bill with the amendment that would permit Members of Congress to be pensioned, but I feel sure that the gentleman is in error if I understood him correctly in the statement that there are not more than a dozen Members of Congress who have not other means of support. I say to the gentleman that he would come nearer stating the situation correctly if he would say there are not a dozen Members of Congress who have any other means of support than their salary.

Mr. GEYER of California. And does the gentleman believe that a man can properly represent his constituency and have an interest in some other business?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, I rise to speak briefly in favor of the amendment which will be offered by the gentleman from Kansas [Mr. REES] to eliminate the section of this bill which would provide pensions for Congressmen. I expect to support this amendment as I feel I should as a representative of one of the great farm States of the country. Most of the people in my State belong to that thirty-million-odd people of America who are engaged directly or indirectly in agriculture. I want to say just a few words in rejoinder to a statement made by the gentleman from Georgia [Mr. RAMSPECK] that he felt we were justified in voting for this security pension for Members of Congress because it would be doing for Congressmen only what we have done for the rest of the Nation.

I do not believe we have as yet provided a social-security system for the agricultural people of America which would warrant us in appearing before the people of the country and sincerely contending that in providing social security for Congressmen we were simply doing for ourselves what we had done for the rest of America. I submit that until and unless we have been able through our collective thinking and efforts to correct the injustices and inequalities in the present social-security set-up which will enable the farmers of this country to enjoy some of these benefits and social-security privileges that are enjoyed by certain other groups at the present time—until that happy day has come we, as Members of Congress, should not concern ourselves about providing a social-security system for ourselves, but should continue to study the problem in behalf of the agricultural population of America. We should not forget that at present the farmers of this country are already paying in increased taxes and higher prices for a social-security set-up from which they are largely denied the benefits.

Mr. JOHNS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. Yes.

Mr. JOHNS. Does the gentleman know of any farmer in this country who has any money from social security at the present time.

Mr. MUNDT. No; I do not, and I represent one of the best agricultural States in the country.

I think this is not a reasonable time to approach this problem. There certainly is considerable merit in the con-

tention of those who state that a Congressman who serves here for a long period of time is not able to save any money during his service. I grant that it is an expensive profession, but I believe that social security for Congressmen and Senators should come as the finishing touch to a well-rounded American social-security program enacted by them. Let it come as the last shingle on the roof of the social-security house, and not be inserted as one of the first foundation stones in such a security program. Our first responsibility is to provide an honest and impartial pension and social-security program for others, and until we have solved this problem, at least, we should not in good conscience pass legislation simply providing for ourselves.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. Yes.

Mr. H. CARL ANDERSEN. The gentleman comes from the same section of America that I do. Would the gentleman like to go and face an audience of farmers or small-business men in our section and try to convince them, regardless of the merits of this bill, that Congressmen are entitled to any such consideration from the Government, when the gentleman and I both know that many a farmer is losing his farm today through foreclosure?

Mr. MUNDT. Well, I would not like to do that, because I do not believe we are entitled to it, at least until such time as we have provided a Federal social-security program which includes the agricultural class in its advantages. We have tried on a number of occasions during this session of Congress, by several different methods, to equalize and perfect the advantages of social security for our agricultural groups. Thus far we have conspicuously, definitely, and dismally failed. Until we succeed I urge you to support the amendment which will be offered by the gentleman from Kansas [Mr. REES] and exempt ourselves from these social-security benefits. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I am rather put out as I listen to some of the remarks of my colleagues on the left side of the aisle and likewise some on this side of the aisle who, in their pharisaical way, say that they are so thankful that they are not like the speaker here, in that they would not think of providing social security for themselves. I think this is a show of sheer, downright demagoguery, and it is an indication that with the most sacred things the Members of this House will play politics. It is pure bunk. It is lack of courage for the Members here to express themselves in that manner. I am willing to take my chances with my people and I think you should. I think they will be fair with you. The people of this land of ours are convinced that social security is essential to the welfare of each and every Member of this House as much as it is essential in the lives of the lowliest of our people.

Insurance figures indicate that 85 percent of our people, and that includes Congressmen, sitting Members of today, at the age of 65 will become totally or more or less dependent on someone else for a livelihood, for support. They will become objects of charity. Why not make some provision for that contingency here and now.

I remember in the Seventy-third Congress talking to an old Republican war horse whom most of you know. I met him in the office of the Whip of the House, and I asked him why it was that he chose to retire. He told me he had served in this House for some 24 years, and it was high time that he got back to private life in order to reestablish himself because he was financially down and out.

I had a colleague from Michigan who in that same session told me he was going to retire. The Lord have mercy on his soul. He never did retire, and he never risked knowing what dependency really meant; but he, too, was going to retire from this House in order that he might provide for himself and his aging wife.

There are men who have served in this House who later became doorkeepers. There are others who have pleaded

for a miserable job in one of the departments. There are Members sitting in this House today who are going to be down and out some time in the future.

Now, you are asking for no charity. You are not the first foundation stone in the plan, as my rookie colleague said a moment ago. We are really the last shingle on this social-security structure, if the gentleman wants to know. We have provided for everybody else but ourselves. The generals and admirals in the armed forces are taken care of by retirement provisions. All Federal judges and Government employees have been similarly protected.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I am sorry. My time is limited.

Mr. MUNDT. The gentleman referred to me.

Mr. DINGELL. I told the gentleman I refuse to yield. He understands English, I presume. He made a misstatement, and I am simply calling it to his attention.

The membership of this House avail themselves of this plan or they do not have to. There is nothing compulsory about it. My good friend from Pennsylvania and my good friend from Massachusetts spoke in favor of this amendment. If I had their incomes, certainly I would be insistent that this House of Representatives be made an exclusive and a rich man's club and that only those who could show so much on the profit side of the ledger would have any right to come here. They will not need any assistance after they retire, but in my position and in the lives of 90 percent of the Members of this House this legislation is very desirable; it is essential. I am wondering how many Members here have confidence in the fairness of their constituents and have the courage to stand up and be counted and take their chances.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DINGELL. I would like to call the attention of the Members of the House to the fact that Congress has provided for full retirement for all Federal judges who have attained the age of 70 years and have served a period of 10 years. They are to receive a full \$10,000 a year for the balance of their lives—Supreme Court and circuit court judges even greater amounts for life. These retirements are provided as a gratuity. The Nation has not objected to that. People have not risen in rebellion against the generosity of the Government. I want to say to you that the people of this Nation generally will approve of this action of the House. They are making no distinction between Members of Congress and any other class of Federal employees.

Ninety percent of the Members of this House are employees of the Federal Government. Our businesses as a rule are nonexistent. They have evaporated and we have no industrial enterprise to depend upon. We have no hotels. We have no business of any kind that will sustain us. Therefore this is our only employment. If I am willing to make my contribution on the same basis as any other civil-service employee, I do not believe there is a single, solitary individual in my district who will raise any objection. I am willing to take my chances on that point. I am sure that I could sustain my position.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. My time has about expired.

[Here the gavel fell.]

Mr. DINGELL. If the gentleman will get me more time, I will yield.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Michigan.

Mr. RICH. Does the gentleman think it is good business after a Member has served here, we will say, 15 years, and paid in \$7,500, then draw out of the Federal Treasury forever after during his life the amount of \$1,673.16 a year?

Mr. DINGELL. That is the same sort of question the gentleman from Pennsylvania asked the gentleman from Georgia. The plan is based on an actuarial study. If the actuaries consider it sound, I think it is good business; yes.

Mr. RICH. The point is that the Government pays 4 percent interest on this money, yet the Government cannot get

4 percent on any of its own money. When the Government pays \$600 a year interest on that money the beneficiary is getting \$1,073.16 more than the Government can possibly get. It seems to me that after 15 years' service Members of Congress are going to get a lot more than they really deserve.

Mr. DINGELL. The gentleman has asked me a question and has answered it in his own way without giving me the opportunity.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. HARTER].

The CHAIRMAN. The gentleman from New York is recognized for 9 minutes.

Mr. HARTER of New York. Mr. Chairman, I yield to the gentleman from South Dakota who wanted to make a reply to the gentleman from Michigan.

Mr. MUNDT. Mr. Chairman, I merely want to say a word in reply to the somewhat amusing—although I suppose it was intended to be sarcastic—remark of the gentleman from Michigan. I did make the statement that if we were going to provide this social security for Congressmen it would be in the form of a foundation stone in the structure of social security, because we have not yet provided for the 30,000,000 agricultural citizens in this country and call the attention of the committee to the fact that in none of the gentleman's remarks did he show where or how we have provided social security for the farmers of this country. Therefore, while he charges me with misstatement in this connection, he completely fails to answer my argument.

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. HARTER of New York. I am sorry; I cannot yield further.

Mr. Chairman, the gentleman from Michigan [Mr. DINGELL] in substance charged everyone who has taken a position against this amendment that will be offered by the gentleman from Kansas [Mr. REES] with demagoguery. I am not inclined to take that view. I do recognize the fact that Members who have spent many years in the House are in such position that should they leave Congress they would have a very hard time to rehabilitate themselves. There is no doubt in the world about that. On the other hand, we must take into consideration the fact that we are being besieged on all sides for social security from all classes of people, people, may I say, who are probably much less able to rehabilitate themselves than most of the Members of this House; and I do feel with those conditions existing throughout the country we would be somewhat remiss in our duties if we at this time voted ourselves into this retirement system.

There is another point I wish to bring to the attention of the membership, and that is that the Members of Congress from the State of New York, and I am one of them, have the right to join the retirement system of the State of New York. May I say that should this amendment which the gentleman from Kansas [Mr. REES], will shortly present by any chance be voted down, I intend to offer an amendment which will preclude the Members from New York State from receiving Federal retirement benefits or joining the retirement system of the Federal Government as well as that of the State; in other words, that they will have to elect between the two systems.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. HARTER of New York. I am sorry; I cannot yield.

Mr. Chairman, with that in mind as a preamble, I say again I think it is not fair for anyone to take the floor and say that a Member who opposes this provision of the bill is a demagogue or is guilty of demagoguery. In opposing it myself, I do so because I feel from my short experience in this House that we should not, particularly at this time, vote ourselves any benefits. I say this, mindful of the fact that I have been here only 6 months and mindful, also, of the fact that many of the Members have given marvelous service to the country through many years of their lives as Members of this body. I take this position, too, knowing

full well that the Senate sent this bill to us without this provision in it. Members of that body have served equally long and, in most instances, equally honorably as Members of this House. They sent this bill to us without this retirement provision for Members of Congress and Senators. Are we not somewhat presumptuous in inserting such a provision in this bill at this time? Are we not setting a bad example to put such a provision in the bill at a time when the Government is spending more Federal money than ever before? Are we not in a rather poor position to come in and try to save some appropriations and then place ourselves in the position of getting additional funds from Uncle Sam.

I voted for the bill. We recently voted on an appropriation bill for W. P. A., and I was in accord with the recommendations of the administration and the W. P. A. Administrator on that and most recommendations of our Appropriations Committee. Can we, after having done that so recently, come in here and say in all good grace that we are willing to take a fund from the Federal Treasury to help ourselves? I admit that the fund will be comparatively small, but nevertheless it is taking something from the Federal Treasury. I do not believe in such actions. I am going to support the amendment to be offered, and I do not believe any one can seriously question my integrity when I say that I am doing that by the dictates of my conscience and there is no demagoguery in my action. Nothing would please me more than to favor this for the benefit of some in here whom I love and whom I feel have given of their best years and best talents to the people of this country.

Mr. COX. Will the gentleman yield?

Mr. HARTER of New York. I yield to the gentleman from Georgia.

Mr. COX. With reference to the entire bill, I wonder if the gentleman does not agree with me that the Federal employees constitute the favored class of workers in this country already, that much is being done for them at the expense of the rest of the people, and that this bill as a whole is a proposal to do more for them than has already been done?

Mr. HARTER of New York. I agree with the gentleman to the extent that during these times of stress it would seem that people on the Government pay roll, whether it be of the States or the United States Government, if you please, are in a favored position.

However, I have definitely in mind that men of intelligence, men who have been able to earn in private industry more than they could with the Government have come into the Government service at a pay which was not commensurate with what they could earn in private industry. However, during these depressed times I feel that those who are on the taxpayers' pay roll, if you want to call it that, are rather favored. I may say that I propose to support the balance of the bill.

Mr. HAWKS. Will the gentleman yield?

Mr. HARTER of New York. I yield to the gentleman from Wisconsin.

Mr. HAWKS. Is it not a fact that the average income of the Government employees is about three times the average cash income of the farmers of this country?

Mr. HARTER of New York. The gentleman is speaking of the present time?

Mr. HAWKS. Yes.

Mr. HARTER of New York. The gentleman has in mind the economic stress that exists today?

Mr. HAWKS. Yes.

Mr. HARTER of New York. I assume that is correct.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I think there are certain features of this bill that are very important, and I am frank to say I do not think they are the ones that have been discussed today. I would like to ask the able and devoted chairman of the Civil Service Committee a question, if I may. I have been very much interested in the problem faced by the people in our country beyond the age

of 50 and the matter of their employment. I think there should be no discrimination against them in Government employment. I realize the problem of retirement provisions is serious in connection with the older age group. Therefore, I am anxious to know what this bill will do with regard to those Government employees who are not now covered by any existing retirement law? Does it have any provisions that will cover them?

Mr. RAMSPECK. I may say to the gentleman it does not. As a matter of fact, a committee, composed of Senator NEELY, myself, and some Government officials, is studying that question now, and I think there will be some effort made to take care of them at an early date. However, they are not included in this bill.

Mr. VOORHIS of California. Does the gentleman think that can be done during this session?

Mr. RAMSPECK. I doubt it, unless the session lasts longer than I think it will.

Mr. VOORHIS of California. What does the language at the top of page 12 and at the bottom of page 11 mean? I refer to subsection (i). Does that not give the President the power to extend the benefits of the retirement system to people who are not now covered? Could that not be done by Executive order?

Mr. RAMSPECK. Yes; I think the President could extend it if he sees fit to do so.

Mr. VOORHIS of California. May I ask the gentleman if he will explain a little bit further for my benefit at least the meaning of subsection (d) at the bottom of page 13, which I believe, if I understand it correctly, is a most important provision of this bill.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I yield the gentleman 1 additional minute. I may say to the gentleman we wrote that provision in here so that it will be possible for an employee or other person coming under the benefits of this act to divide his annuity with a named beneficiary, sometimes called a widow's annuity, although it is not that. It does not increase the annuity. It simply gives the option of dividing the annuity.

Mr. VOORHIS of California. The man who is entitled to the annuity can take a smaller amount during his lifetime, then extend the benefits of it to somebody who survives him?

Mr. RAMSPECK. Yes. It is safeguarded so that the total amount paid out will not exceed the amount which would have been received by the single person.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, in concluding the general debate, may I remind my colleagues that this Congress not long ago voted retirement at full pay for judges of the United States courts after 10 years of service without any contribution; that we have provided retirement benefits to retired officers of the Army, Navy, Coast Guard, and Marine services, which are more generous than can be given Members of Congress under this proposal and without requiring any contribution whatsoever. May I also remind the Members of the fact that we propose here to give ourselves nothing more than has been given for nearly 20 years to people who draw their pay from the same employer—the United States Treasury. May I say to my friend who talked so feelingly about the farmers that while it is true they do not come under title II of the Social Security Act, they have received a great many financial benefits from the United States Treasury. I am in favor of them getting that, but that is no reason why we should deny ourselves some protection for our later years when we may be retired from service here. I feel that we are justified in making this provision, and I can remind you that no Member of Congress and no Senator is required to exercise the option conferred in this bill.

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That section 1 of the Civil Service Retirement Act approved May 29, 1930, as amended, is amended by striking out the whole thereof and substituting in lieu thereof the following: "(a) All employees to whom this act applies who shall have attained, or shall hereafter attain the age of 70 years and have rendered at least 15 years of service computed as prescribed in section 5

of this act shall be eligible for retirement on an annuity as provided in section 4 hereof: *Provided*, That city, rural, and village letter carriers, post-office clerks, railway postal clerks, sea-post clerks; laborers and mechanics generally, mechanics and laborers in navy yards, and such supervising mechanics and laborers, master mechanics, leadingmen, quartermen, and foremen who perform mechanical or manual work in connection with their supervisory duties; those employees engaged in pursuits whose occupation is hazardous or requires great physical effort, or which necessitates exposure to extreme heat or cold; employees of the Indian Service at large excluding clerks; and those employees whose terms of service shall include 15 years or more of such service rendered in the Tropics, shall, under like conditions, be eligible at 65 years of age; the classification of employees for the purpose of assignment to the various age groups shall be determined jointly by the Civil Service Commission and the head of the department, branch, or independent office of the Government concerned: *Provided further*, That the term 'mechanics,' as used in this act, shall include all employees in the Government Printing Office whose duties are to supervise, perform, or assist in apprentice, helper, or journeyman work of a recognized trade or craft, as determined by the Public Printer.

"(b) Any employee to whom this act applies who shall have attained, or shall hereafter attain the age of 60 years and have rendered at least 30 years of service computed as prescribed in section 5 of this act, or who shall have attained, or shall hereafter attain the age of 62 years and have rendered at least 15 years of such service may, upon his own option, retire and shall be paid an annuity computed as provided in section 4 of this act.

"(c) The head of a department or independent Government agency concerned may request the retirement of any such employee described in subsection (b) of this section who, by reason of a disqualification is unable to perform satisfactorily and efficiently the duties of his position or some other position of the same grade or class as that occupied by the employee and to which he could be assigned. No such request shall be submitted to the Civil Service Commission unless and until the said employee has been notified in writing of the proposed retirement. Each such employee shall, upon request by him, have opportunity for a hearing before the Civil Service Commission, at which hearing the employee may appear in person or he may be represented by a person of his choice. No such employee shall be so retired unless the Civil Service Commission after examination finds that he is so disqualified. The determination of the Civil Service Commission as to whether the employee shall be retired under this subsection shall be final and conclusive. Any person so retired shall be paid an annuity computed as provided in section 4 hereof.

"(d) Any employee who has completed 30 years of service computed in accordance with the provisions of section 5 hereof and who has reached or may hereafter reach the age of 55 years may voluntarily retire and shall be paid an immediate life annuity beginning on the 1st day of the month following the date of separation from the service having a value equal to the present worth of a deferred annuity at the age of 60 years computed as provided in section 4 of this act.

"If none of the options provided in this section is exercised prior to the date upon which the employee would otherwise be eligible for retirement from the service, the provisions of this act with respect to automatic separation from the service shall apply."

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.
The Clerk read as follows:

Amendment offered by Mr. RAMSPECK: On page 7, after the word "concerned" in line 23, add the following: "*Provided, however*, That those employees who at the date of approval of this act are serving in the 62-year-age group and those supervisory employees who by the provisions of this act would fall within the 70-year-retirement-age group, shall be and they hereby are exempted from the provisions of any law relating to the automatic retirement of civilian employees until the effective date of this act after which such employees shall be subject to automatic separation from the service in accordance with the terms of this act upon reaching the retirement age for the group to which assigned.

Mr. RAMSPECK. Mr. Chairman, in explanation of this amendment I should like to point out that we are raising the compulsory age of retirement for one group from 62 to 65. This deals primarily with the Railway Mail Service and the navy-yard workers. A great many of them who will reach the age of 62 between now and January 1, which is the effective date of this act, have asked that an extension of 3 years in the permissible time of service be given to them. That is the only change this amendment makes. It simply would provide that any person in the 62-year age group reaching that age before the effective date of this act would get the benefit of the change in the compulsory age.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that a very small group is involved?

Mr. RAMSPECK. Yes; it is a rather small group. Of course, it will involve only a few people, those who may reach the age of 62 between now and January 1 of next year.

Mrs. ROGERS of Massachusetts. The Civil Service Commission advises that this change be made, as I understand?

Mr. RAMSPECK. Yes; they drafted this amendment for me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. Strike out all of section 2 of the act of May 29, 1930, as amended, and insert in lieu thereof the following:

"(a) Except as provided in section 204 of the act of June 30, 1932 (47 Stat. 404), section 3 of the act of July 13, 1937 (Public. No. 206, 75th Cong., 1st sess.), and section 3 (g) of this act, all employees to whom this act applies shall, on the last day of the month in which they attain retirement age as defined in the preceding section; and having rendered at least 15 years of service, be automatically separated from the service, and all salary, pay, or compensation shall cease from that date, and it shall be the duty of the head of each department, branch, or independent office of the Government concerned to notify each such employee under his direction of the date of his separation from the service at least 60 days in advance thereof.

"(b) No person separated from the service who is receiving an annuity under the provisions of section 1 of this act shall be eligible again to appointment to any appointive office, position, or employment under the United States or of the government of the District of Columbia."

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 10, line 14, after the word "any", insert the word "permanent."

Mr. DIRKSEN. Mr. Chairman, I shall take no great amount of time in discussing the proposed amendment. The amendment merely provides for the insertion of the word "permanent" in line 14 between the words "any" and "appointive." The reason for this amendment is simply that lots of these annuities will run from \$15 to \$20 a month, or \$30 or \$40 a month, but they will certainly not be enough by themselves to sustain any individual. Under the language carried in the bill providing that an annuitant shall not be eligible again for appointment to any appointive office, such an individual could not even accept a job as a census enumerator for 2 weeks. It would mean that he could do no temporary work of any kind. Surely it is not the intent of the Congress of the United States to preclude an annuitant from accepting temporary or emergency work that may provide a bit of funds to supplement an otherwise meager annuity. For this reason I believe the word "permanent" should be inserted in the bill.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. RAMSPECK. I may say to the gentleman, speaking only for myself and not for the committee, that I have no objection to having the gentleman's amendment adopted and letting it go to conference.

Mr. DIRKSEN. I submit it to the wisdom and good grace of the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. Section 3 of the act of May 29, 1930, as amended, is amended by striking out all of that portion thereof beginning with paragraph (g) and continuing to the end of the section and inserting in lieu thereof the following:

"(g) All persons duly elected as Senators, Members of and Delegates to Congress, and the Resident Commissioners in the legislative branch of the United States Government: *Provided, however*, That this act shall not apply to any person described in this paragraph until such person gives notice in writing to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, of his or her desire to come within the purview of this act. Said notice must be given in the case of any such person in the legislative branch of the Government on the

effective date of this act, within 6 months from such effective date, and in the case of any such person elected and serving after the effective date of this act, within 6 months from the taking of the oath of office: *Provided further*, That no provision of this or any other act relating to automatic separation from the service shall have any application whatever to any person described in this paragraph.

"(h) This act shall not apply to such employees of the Lighthouse Service as come within the provisions of section 6 of the act of June 20, 1918, entitled 'An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes,' nor to members of the police and fire departments of the municipal government of the District of Columbia, nor to such employees or groups of employees as may have been before the effective date of this act excluded by Executive orders from the benefits of the act of May 22, 1920, and amendments thereof.

"(i) The provisions of this act may be extended by Executive order, upon recommendation of the Civil Service Commission, to apply to any employee or group of employees in the civil service of the United States not included at the time of its passage. The President shall have power, in his discretion, to exclude from the operation of this act any employee or group of employees in the civil service whose tenure of office or employment is intermittent or of uncertain duration.

"(j) Any officer or employee to whom the act of July 13, 1937 (Public, No. 206, 75th Cong., 1st sess.), applies who has failed to exercise the option provided thereby to come within the terms of the Retirement Act of May 29, 1930, as amended, may exercise such option within 6 months from the effective date of this act."

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 10, line 21, strike out all of paragraph (g) of section 3 of the bill.

Mr. REES of Kansas. Mr. Chairman—

Mr. RAMSPECK. Mr. Chairman, I wonder if we can get an agreement as to time.

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that an agreement cannot be made because there has been no debate on this section.

Mr. REES of Kansas. Mr. Chairman, I do not believe it should be necessary for me to take the floor for the third time this afternoon on the subject of this particular amendment, but I wish to say again that in my judgment it is an extremely important one.

The gentleman from Michigan offered some suggestions and I would like to answer in a brief way some of the things that he said. The gentleman said that, after all, the vote on this bill was a matter for demagogues, I believe. If you want to classify yourselves as demagogues, go to it, but there is not any demagoguery about voting against this particular portion of the bill as I see it. It is a matter of keeping faith with the folks at home. If you figure it out in that way, then it is all right with me. You vote your own opinion on it because that is a matter which is up to you. I hope there is no one here who does not use his own judgment as to how he should vote, and let us not call it demagoguery.

The gentleman has said that he is willing to take his chances. We are all willing to do that or we ought to be, but let us not forget the fact that we are elective members. We are not appointive members, and we are going clear out of the classification of civil service in this matter and you and I know it. You are saying that here is a group of Members of Congress who happen to have this authority in their hands and they want to use it and they have decided this afternoon that they will not only use this authority, but usurp it, if you please.

We have not even begun in this Congress to take care of the thousands, yea, millions, if you please, of aged persons in this country who actually, honestly, and fairly need assistance, and it is just too bad that living in a great democracy that there are 435 Members here and 96 Members in another body who, regardless of party affiliation, have not been able to solve the problem by even providing the necessities of life for the aged people of this country; yet we come in here this afternoon and say that so far as we are concerned we are going to at least take care of ourselves; that we are going to see to it that so far as we are concerned, as Members of Congress, we are going to be protected, anyway, in our old age, and we are going to ask the taxpayers of this country

to help us in that respect. If you feel that way about it, as Members of Congress, or if you feel that the taxpayers of this country owe us what we are asking this afternoon, it is perfectly all right with me; go ahead and support it; but I just do not believe you want to do that sort of thing. I do not think it is right. I do not think it is fair to the taxpayers of this country in your district and in mine.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. REES of Kansas. I yield for a question; yes.

Mr. MARTIN of Colorado. How did the gentleman vote on the Townsend bill?

Mr. REES of Kansas. I voted against the Townsend bill.

Mr. MARTIN of Colorado. Well, you had a chance there to do something for the old folks of the country.

Mr. REES of Kansas. That is a matter of judgment. If you think that is the kind of bill that ought to be passed by this Congress, well and good, but you and I know that so far as the Ways and Means Committee is concerned, they have not recommended any measures yet that would have done much along that line. They submitted that bill under a gag rule to us and we voted it down. It might have been amended or worked out in such fashion that it could be used, but as it came before the House I voted against it, and the RECORD shows it.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield for a question.

Mr. HILL. To be consistent the gentleman ought to favor an amendment to retire all judges without pay because they can now retire after 10 years of service on full pay. The gentleman ought to be consistent and offer such an amendment.

Mr. REES of Kansas. If the gentleman wants to be consistent, he will vote against this bill, anyhow, and then if he wants to bring in that sort of measure he can bring that up separately.

Mr. HILL. Will the gentleman support that kind of amendment or that kind of bill? To be consistent the gentleman ought to do so.

Mr. REES of Kansas. If the gentleman wants to support that kind of bill, bring it in separately. We will be glad to discuss it on its merits. But I just do not see how the distinguished gentleman can support a measure with this kind of a provision in it.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. WHITTINGTON. In all fairness, are not all judges appointed for life just as civil-service employees are hired for life, and are not judges in a different position from those holding elective positions?

Mr. REES of Kansas. Yes. Certainly they are appointive offices.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, I would like to have 5 minutes.

Mr. HARTEY of New York. Mr. Chairman, reserving the right to object, I have an amendment to this amendment.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

Mrs. ROGERS of Massachusetts. Would the gentleman amend that and make it 30 minutes?

Mr. RAMSPECK. We are anxious to get through, and it seems to me this would give us enough time.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on this section and all amendments thereto close in 20 minutes. Is there objection?

Mr. HARTEY of New York. I object, Mr. Chairman.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the amendment. The late Speaker Clark on a number of occasions in this House said that if there is anything in the world that is more cowardly than a Congressman it is two Congressmen, and the debate this afternoon has demonstrated beyond peradventure of a doubt that Mr. Clark knew what he was talking about. In his long, distinguished, and patriotic service in this body he learned what goes to make up a Congress. I presume that time has proven that it is no more possible for a Congress to change its *modus vivendi* than it is for a leopard to change its spots. The gentleman from Georgia [Mr. RAMSPECK] deserves credit rather than censure for bringing this measure before the House. [Applause.] I recall some years ago, when a member of long and distinguished service in this body passed away after having been defeated and retired to private life. When he died it was necessary for our delegation to make up a purse of \$1,000 to send his remains home for burial and make some provision for his widow. Members of Congress rarely lay aside anything. We are besieged on all sides for contributions for this and that and every 2 years have expensive campaigns to go through.

I think this is about the only country in the world that makes no provision for its legislators when they retire. We make generous provisions for those who have served in the Military and Naval Establishments when they retire, either as a result of long service or for disability. We have made generous provision for the judicial and civil lists, but nothing for those who give up their business or practice to come here and probably serve for 8 or 10 or 12 or 15 or 18 years and then go back home, to find that all of their connections are broken. Then they are in the sunset of life and for them there is no such thing as a new start. I appeal to the membership of the House to lay aside their fears of what the people back home will say and face this thing in a realistic and a manly manner. [Applause.] The best investment the American people can possibly make is to provide for their National Legislators in their old age so that they may face every issue and measure fearlessly and honestly. In my own case, after 23 years of service I would only draw \$775.75 annually unless I can pay into the retirement fund \$9,266.08. If I had that much cash I would not be concerned.

I believe in old-age pensions. It should be on a contributory basis and it should apply to all.

Mr. Chairman, sooner or later we must remove the fear of dependent old age, whether it be for the high or the lowly.

Mr. CREAL. Mr. Chairman, should this bill pass in this form, I presume it would be the first time in the history of America that any legislative body, be it a city council, a State legislature, or Congress, which had the power to appropriate money, voted themselves a pension. Of course, I know there is a certain amount of demagoguery about this, but in spite of what you say, we are all here as a matter of choice, because we prefer to be here to doing something else. There is no dispute about that, and at this time of financial crisis, with so many people demanding aid, it is the wrong time of the year, the wrong time of the moon, for Congressmen to vote themselves a pension, and then go back to have hurled in their teeth some particular thing that did not get through that somebody else wanted. People would say that we had voted a pension for ourselves and had failed to do so for somebody else. Talk about retirement. God knows that as far as retirement is concerned you will get it pretty quick—those of you who vote for this bill. You will get it and you will get it without pay besides. This is a nice issue with which to go before the people in 1940, is it not? What about the Democratic Party? Remember if this bill passes, it will have to pass through a majority of Democrats voting for it. Then I say especially again that it is the wrong time of the moon to take this question up.

Further, there are certain sections of the country where the political party on one side or the other is predominant and where Members come back to Congress year after year, but more than half of the districts waver back and forth as between the two parties, and it is not fair to those men who live in doubtful districts, as compared with those who live in districts where the politics is one way and where Members have opportunity for coming back year after year. I shall be quite well satisfied if I can come here the required length of time to which I might be eligible to get an annuity, without the annuity, and please do not forget that there are lots of people just as able as you are, just as smart as you are, regardless of who you are, who are ready and willing to take your places at any time you indicate that you are through—and sometimes when you do not. This is laden with political dynamite, and lots of you who cast your vote for this bill will get retirement without annuity.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized.

Mr. WHITTINGTON. Mr. Chairman, the bill under consideration is a bill for more generous treatment of Federal employees. That can mean but one thing. This bill cannot be more generous than the existing law unless it provides for larger contributions and appropriations from the Federal Treasury for the retirement and pensioning of Federal employees. I follow the committee and the distinguished chairman of that committee respecting Federal employees because I believe in adequate salaries for Federal employees; but I think that in a bill that increases the Federal contribution for Federal employees it is most unwise that provision should be made for retirement for Members of the House and Senate, even if such retirement were desirable. Moreover, if such provision is to be made by the Congress it should be made in a separate measure, and should not be effective until the succeeding Congress, just as an increase in salaries of Members of Congress has not been effective until the following Congress.

Mr. Chairman, whatever else may be said with respect to spending and appropriating in excess of the revenues of the Government, this must be admitted: That finally whether recommended by the Executive, whether requested by our constituents, the responsibility for continued borrowing in order that we may spend more and appropriate more lies at the door of the Congress of the United States. We have made provision for increasing the efficiency of our office during this term. We voted for an additional clerk. Personally I opposed the increase and personally I voted against it, but it is not fair to say that we have not made any provision this session for the Members of Congress. Additional provision has also been made for Senators under the conference report that is now pending.

I respectfully submit that if elective officers, not appointed by the Executive either as employees of the Government or judges of the courts, but elective officers, Senators and Representatives, are to be retired, it should be at another time when there are not so many demands from those who are in need, from the suffering, from those out of employment; when there is no grave emergency that confronts the country, but in normal times. The case of Senators and Representatives is not parallel with Federal judges and Federal employees. They serve until they reach the age of retirement and are usually dependent upon their salaries. Federal judges often serve long after they have reached the three score years and ten. Generally they make sacrifices to accept positions on the bench. Who would deny Justice Brandeis retirement when he was earning many times the salary when he was appointed to the Bench? All thoughtful patriots know that borrowing and spending cannot continue. If there is to be economy and retrenchment, Congress must set the example and make the necessary sacrifices. If we provide any additional benefits to Members of Congress when there is widespread unemployment, we estop ourselves from maintaining that Congress will reduce public expenditures so that they will not exceed public revenues. So far as I am concerned, I oppose the principle of retirement for Senators and Members of Congress. They

should be impartial and not embraced in legislation that provides for additional Federal benefits for Federal employees. I trust that this amendment to eliminate Senators and Representatives from the retirement benefits of the pending bill may be adopted. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. HARTER].

Mr. HARTER of New York. Mr. Chairman, mention has been made here of retirement and pension for judges. Some speaker this afternoon said he had heard no complaint of that. Let me say to you that I believe New York State is probably as generous in its care and treatment of government employees as any State, and I do receive considerable complaint from my district concerning these very same pensions for judges. It so happens that in our legislature, which has just adjourned, effect was given to a reduction, not to the present judges, but those who were retired and acting as referees. I just make that comment in passing.

If this amendment should not be agreed to, then I have an amendment which in substance will require Congressmen who do come from States where they have a State-retirement system, to elect to enter one or the other but not both. By that amendment or by my opposition, I do not intend to keep any Congressman who has been here longer in service than I have from getting any benefit; but I do urge that you Members who come from States which have no retirement system, to see to it that your States provide a retirement system and then recognizing the sterling service you are giving to the State and to the national Government, you be included in that retirement system, the same as New York has done. Do you not believe that if you were in a State retirement system rather than in a Federal-retirement system you might give better and freer attention to matters having to do with the retirement system than you could if you were a member of it? Not that I feel that we would be consciously affected by it, but naturally when we have something at stake we are unconsciously affected. We might be affected in favor of it or we might sit up so straight that we would fall over backwards, as the saying goes. Do you not think that gives you something to think about? Go back to your States and if they follow your advice, see that not only a retirement system is given which will include you, but will take care of the lower salaried people in your State as well. Let us see that they get something. I understand that New York State is one of the very few, if not the only one in the Nation, which gives retirement benefits not only to employees of the State but to Congressmen as well. It strikes me that when we sum up this whole picture it not only affects you in your actions in your district, but it affects all of us in our actions that we will give to legislative matters, particularly legislative matters having to do with the retirement system of the Federal Government.

I appreciate that the amount which would go into this is insignificant when you take into consideration the amount of money we have been spending, which, by the way, we do not have, but some of us seem immune to any plea along the line of curtailed spending. I admit that if this amendment is passed we will be curtailing very, very slightly, but I, for one, want to see that we curtail to the greatest possible extent. The taxpayers of the Nation pay into the Federal retirement system, while your State taxpayers only take care of the State's share in a State system.

I pause to call to the attention of the Nation that if benefits from the Federal Treasury, or debt, whichever you will, measured by States against the taxes paid State by State determined the issue of Congressmen being permitted to join their State retirement system, New York Congressmen should be about the last to be so rewarded.

The record of Federal tax moneys collected State by State, and Federal moneys paid out State by State, is well known to all. If not, go to a Representative from a State which pays more to Uncle Sam in taxes than it receives and you will quickly get the figures.

I have been here a little over 6 months, during which time I have listened to many beautiful memorials in this House in

honor of Members passed away, Members who gave of their exceptional talents for their State and Nation services that money, in most instances, could not buy, services given early and late, day in and day out for their State and for their Nation. Yes; the press also recognized the value of their services. The same thing can and will happen to practically each Member of this body should he survive, politically or otherwise, for a reasonable time, because he sincerely carries out the oath of his office.

This is an age of security-mindedness and as the affairs of our country are being handled with continuing and astounding increases in our Federal debt and deficiencies, it might well be argued that the additional claim upon Uncle Sam's Treasury required to put Congressmen under the Federal retirement system not only means little but is far more justified than many of the bills passed in the last few years which have taken so many of Uncle Sam's millions and billions that he just does not have. However, that cannot justify our action, and we well know it. You can well point out that as a Congressman you are serving not only your district but your State and Nation as well. This is recognized when we are paid our salary from the Federal Treasury, given offices at Federal expense, and so forth. I frankly admit the weight of that argument, but I believe other matters I am attempting to point out make the amendment the more advisable course for us to follow.

If we by legislation place ourselves under the Federal retirement system we must justify our action, at least to ourselves. Probably it would be comparatively easy to justify our action in our own minds, but let us look carefully.

Again I repeat the truth that Members in the past have and in the future will continue to give their all for their Government, irrespective of action on this bill. However, your State should not object to making some "flowers" available to you while you are serving, rather than leaving all until you are dead. That being so, the enactment of State retirement systems for State employees, including recognition of your service by permitting you to join, is the answer, and not the section of this bill subject to this amendment. Such State retirement systems will help to give security to you and your fellow employees of your State, and at the same time help you to give freer attention to your duties as a national legislator and Representative.

I hope this amendment will be adopted.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, I assure the House and the country that I will not ask or receive any benefit under this act. In the first place, I expect to remain in service until it will not be necessary for me to draw any retirement. [Applause.] I feel that most freshmen on the Republican side—I do not blame them for being opposed to the bill—I fear that they will not be the beneficiaries of this bill, because it provides that they must be in service for 5 years before any benefits can be derived under its terms. [Applause.] I have not heard any of the older Members on the Republican side, however, or on our side, with the exception of one or two, oppose this bill.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SABATH. No, no, no!

Mr. RICH. I want the gentleman to hear from somebody who is opposed to the bill.

Mr. SABATH. Rich men do not need it. This legislation is designed to help the poorer men and the poorer Congressmen.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I do not yield. Please do not interrupt me.

Mr. RICH. The poor are those who will have to pay for it.

Mr. SABATH. Mr. Chairman, when Members oppose this provision they are making a great deal of noise about very little. This will apply to only a few who will be retired. I realize there will not be more than 40 or 50 Members retired on the Republican side, and very few on this side. [Laughter.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I do not yield.

So for the first few years this will affect only a very small number, not more than 60, I should say.

The amount involved is very small, indeed. I, as one Member who for many years has advocated old-age pensions, naturally cannot oppose this proposition. I am in favor of it because it will not apply to those rich Senators and Congressmen trained in the law who have a lucrative practice. It will apply to the Members who have devoted years of honest effort in behalf of the country; Members who, when retired involuntarily, find themselves financially embarrassed. I can say in all sincerity that if I have helped one Member in my many years of service I have helped 50 who have been retired, men who have appealed to me for aid. I have done it because they were deserving. Many of them did not deserve to be retired. They served their country well; but, unfortunately, when a man serves his people well, the vested interests dislike him and make every effort to bring about his retirement; and I am for those Members, whether they serve on the Republican or the Democratic side. I want to be helpful to them, and this provision will be.

[Here the gavel fell.]

Mr. McGRANERY. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Illinois be extended 2 minutes.

The CHAIRMAN. The time has been fixed by unanimous consent.

Mr. McGRANERY. Mr. Chairman, I submit the further unanimous-consent request that notwithstanding that, the gentleman from Illinois may proceed for 2 additional minutes.

Mr. RICH. Mr. Chairman, reserving the right to object, will the gentleman yield out of those 2 minutes?

Mr. SABATH. I will if I can.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SABATH. We provide retirement for judges. Private industry takes care of many men at much greater rates of retirement. We take care of the Army and the Navy splendidly. We take care of the officers from childhood when we send them to the Naval and Military Academies. I do not see why we should not do something for Members of this House who are deserving and who are in need of it. I maintain that those who do not need it will not apply for it, and I have given you my word that I will at no time ask for any benefit under this bill. I plead, however, in behalf of those who may be retired who have served the country well. I feel that this legislation is a step in the right direction.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. RICH. According to the Treasury statement of July 12, the Government is going in the red about \$25,000,000 a day. This means its expenditures exceed by \$25,000,000 the revenue it receives. In spite of this, however, you add to the taxpayers' burden by a new bill. How are you going to get the money?

Mr. SABATH. I will answer the gentleman. This bill will not increase taxes by one red cent, not by the thousandth part of a cent. The charge that this will increase taxes is not well taken.

As to the farmers, I know what you are trying to ask. We have been taking care of the farmers through bills we have passed here year after year. Unfortunately you Republicans failed to vote for social security, and today you regret that we have not gone further. I am with you at any and all times to increase old-age pensions.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOSER] is recognized for 2 minutes.

Mr. MOSER. Mr. Chairman, Thomas Paine met Benjamin Franklin in a London coffee shop, and by him was urged to come to America where thinkers were needed, and with letters of introduction became the editor of the Pennsylvania Gazette, later to write Common Sense, proceeds from

the sale of which he donated to the cause of American freedom and liberty.

As a soldier in General Greene's ragged army, leaving its bloody footprints in the snow on the retreat from Fort Lee to Newark, N. J., by the light of the campfire's embers at night he wrote *The Crisis*, which General Washington had read to every company.

When Benjamin Franklin, in Paine's presence, made the statement: "Where liberty is, there is my country," Paine immediately replied: "Where liberty is not, there is my country." Having been in the unrivaled position of contributing to, being present during, and sharing in the struggle for liberty on the part of the people of three nations, it was Robespierre who had condemned him to be beheaded because he pleaded to save the life of the conquered, degraded, and completely subdued French King Louis XVI, but the assassination of Robespierre before Paine's execution was accomplished left him to languish ultimately in destitution in a garret in Paris.

Here it was that James Monroe, as Minister to France, a future President of the United States, found him; revived, restored, rejuvenated, and thus resurrected, sent him back to America, where he immediately became politically insistent that President Jefferson appoint him Postmaster General.

It was a grateful Congress that provided for his old age at a place near New Rochelle, in New York State, where he died. When a predecessor of mine lay dying in an attic in his district, forgotten by all, there was no Congress that looked after him. When his widow died in a bathtub of a rooming house some months thereafter there was no one to look after that destitute family, whose only offense toward society was poverty after years of public service and sacrifice in rendering it. There is now a living predecessor of mine and successor of the former, whom the court has committed to an institution. These are some of the vicissitudes that have overtaken men who preceded me.

Let me say to my colleagues that if I am to be retired, as has been suggested here by those supporting to those opposing the pending amendment to this bill on the ground of demagoguery, if we support this measure, I will willingly submit to retirement at the hands of the constituency that trusted in my judgment to represent them here. I know the class of people I represent; they expect frugality; they counsel it; they practice it; and want the Government to practice it. They are more apt to applaud than condemn, emulating by legislation if necessary, their example as set. I have never heard of the Government's system of compulsory saving on the part of its employees toward their old age and retirement challenged, criticized, or condemned by any but its own employees who would prefer to spend their portions like prodigals and have the public taxed to provide liberally for their retirement in old age that they might evade any share in their own responsibility. I have never heard a word of criticism from the public against the retirement of rural carriers, city letter carriers, post-office clerks, or any other employee of the Government. I have yet to hear the first word of criticism raised or voiced against Congress for having extended the Retirement Act to legislative employees at their option. On the contrary, you have under the pending bill an answer to the appeal to permit those who did not avail themselves of the privilege within the time limit in giving further opportunity to embrace it.

The proposal to permit Members of Congress to exercise their own option of availing themselves of the Retirement Act is not novel. It has been extended to all others of the legislative branch of the Government. The demagoguery that has been practiced in predecessor Congresses should the more readily apply to that act which created retirement to the employees of the Government, who receive gratuitous retirement benefits exclusively at the hands of the taxpayers of the Nation through the several acts of Congress bringing it about, without compulsory or optional contribution from their salaries, which are high, yea, very high as contrasted to those coming within the arbitrary, compulsory, or optional

classifications. To those who charge demagoguery today, I can only inquire, what could it possibly have been termed when retirement without contribution or assessment was extended to judges, and officers of the Army, Navy, and Marine Corps, and by what term can it be styled that individuals so retired at public expense, without forfeiting retirement pay or rights, continuing physically and mentally active, are permitted to fill appointive positions at salaries higher than available to them under their series of promotions or politically sponsored appointments? I make the challenge to all who condemn this proposal to state publicly whether they would vote to stop the practice I have just cited. If it is supposedly wrong to encourage a Member of Congress to accept Uncle Sam's reassuring suggestion of thrift and frugality to provide against old age and destitution, how much further wrong is the other course in the sight of the public demand that Congress practice frugality?

It was deemed advisable as well as necessary, to provide for the integrity of the courts, to also provide for the security of the judges, who are permitted to retire optionally at full pay, without contributing anything to a retirement fund as herein proposed to the legislative branch. With 303 judges of record who are receiving full pay for active and retired pay, at rates up to \$20,000 per annum for an Associate Justice of the Supreme Court, if this security is necessary for the integrity of those who judge the law, recent evidence to the contrary notwithstanding, how much more desirable should it be determined that those enacting the law should have the right to contribute to their own security under the terms of the pending bill? Note that no member of the judiciary contributes one penny to his own security from his salary.

Mr. Chairman, I am going to support this bill and oppose the pending amendment. May I say further that in the State of Pennsylvania the judges have a very liberal retirement law. People who are otherwise employed by the State do not have such latitude under the retirement law. A very eminent judge who was defeated later got himself appointed by a Governor to subsequent public employment, and by the most clever and adroit manipulation of the application of the retirement law of the Commonwealth of Pennsylvania was retired with a very substantial bounty. Though the press widely publicized the skillful application of this retirement to the act, there was no public criticism. The man was a particular friend of mine; his uncle served with me in the classified civil service. I shall not refer to individuals by name, because I would not want to embarrass anybody.

From the standpoint of the classified civil service, as has been referred to this afternoon by one of my colleagues on the committee who did not oppose bringing this bill out for the action of the House that we are safe if we elect to make our contributions to the retirement fund; that we cannot lose because the money contributed will be paid back if retirement precedes the date of eligibility. It is optional. He failed to distinguish, however, there is not a single person in the classified service of the United States now having the compulsory benefit of the retirement fund, nor anyone having exercised the optional privilege, who, on retirement, does not have compulsory or optional contributions to the fund reimbursed to the person so retiring from the public service.

I believe this is a proposition we should face fairly and squarely, as the gentleman from Minnesota [Mr. Knutson] stated when he was quoting the late Champ Clark. I could not possibly know Champ Clark made the statement. But I have heard it said by many of my colleagues in the House that if every Member of the Congress could be guaranteed to retire at the end of his term, at full salary in the same manner and form with which the judiciary has been provided with financial security, we would have representative government in the interest of the public good and general welfare of the Nation under the Constitution, and there would not be any demagoguery such as has been referred to here this afternoon. Catering to articulate and clamoring minorities as organized to the prejudice of the unorganized would cease, and there is not one among you who does not believe and know it to be true. [Applause.]

Who is there to condemn or decry the optional and voluntary action of a Member of Congress to elect to have 5 percent of his salary deducted and held by the Government against his retirement? If he retires early, his money is refunded; and if he serves his district long and well and retires in advanced age, where is there anyone to deny he has well earned his retirement pay to which he has long contributed voluntarily?

Mr. Chairman, I shall support the bill, and yield back the balance of my time. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Georgia [Mr. RAMSPECK] is recognized.

Mr. SIROVICH. Will the distinguished chairman of the Civil Service Committee yield to me?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. SIROVICH. As ranking member of the Civil Service Committee I want to call the attention of every Member of the House to the fact that the great State of New York has 45 Members of Congress in this distinguished body, all loyal, patriotic Members. Fifteen years ago the Legislature of the State of New York passed a retirement act, which included every Member of Congress, and provided that they had the right to optional retirement by paying in 5 percent of their salary. No one has ever questioned that and every Member here has observed what the great, progressive State of New York has done. We can all do the same thing here today by voting for this fine measure of the gentleman from Georgia [Mr. RAMSPECK], that will give to the Congressmen of the other 47 States, the rights, privileges, prerogatives, and immunities that the great State of New York has given to its Members of Congress.

Mr. RAMSPECK. I thank the gentleman for the contribution. May I say to the Members of the House that certainly I am not going to quarrel with anybody who does not see this matter as I do. I shall not accuse anybody of being a demagogue. You have a right to vote your convictions and I presume you will. But sitting right in front of me is one of my colleagues who succeeded to the representation of a district here, although he was not the direct successor, of a fine gentleman who served in this Congress for 26 years. He rendered a faithful service to his people. He gave his salary away to the people in his district who made requests of him. When he left here, after having given more than a quarter of a century of the best years of his life to the public service, I doubt seriously whether he had enough money to live on for 30 days.

That is what I am trying to stop by making it possible for the men who come here and serve faithfully, who stay here for years, who do not accumulate any money and who have no outside source of income, to put aside some money through this saving plan, which does not provide a large amount. It does not entail any large cost to the taxpayers of this country, but it would contribute not only to the peace of mind, the happiness, and the welfare of the Members after they leave this body, but it would also inspire many of them to have more confidence when they cast their votes to do what they think is for the best interests of the country. [Applause.] I hope that we will not be swayed in this matter by a fear that some demagogue back home may charge us with having done something for ourselves. Of course, there are many people who would like to have these jobs. There are many people who would like to have any Government job in the United States. It is also true there are not many people who make as much salary as we make. But it is likewise true that we have to spend most of that money in living expenses and in campaign expenses. I do not know of a single Member who has been here during the 10 years it has been my privilege to serve in the House who has accumulated anything out of the salary he has drawn as a Member of Congress.

Mr. Chairman, I think the time has come when we might well make some provision by way of savings for ourselves so that when we reach old age or we retire from this service, we

might find it possible at least to prevent ourselves from facing want and misery in our old age.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES of Kansas) there were—ayes 104, noes 71.

Mr. RAMSPECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RAMSPECK and Mr. REES of Kansas.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 73.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 4. Strike out all of section 4 of the act of May 29, 1930, as amended, and insert in lieu thereof the following, so that this section shall read:

"(a) The annuity of an employee retired under the provisions of the preceding sections of this act shall be a life annuity, terminable upon the death of the annuitant, and shall be composed of (1) a sum equal to \$30 for each year of service not exceeding 30: *Provided*, That such portion of the annuity shall not exceed three-fourths of the average annual basic salary, pay, or compensation received by the employee during any 5 consecutive years of allowable service at the option of the employee; nor shall such portion be less than an amount equal to the employee's purchasable annuity as provided in (2) hereof; and (2) the amount of annuity purchasable with the sum to the credit of the employee's individual account as provided in section 12 (a) hereof, together with interest at 4 percent per annum compounded on June 30 of each year, according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries.

"(b) The total annuity paid shall in no case be less than an amount equal to the average annual basic salary, pay, or compensation, not to exceed \$1,600 per annum, received by the employee during any 5 consecutive years of allowable service at the option of the employee, multiplied by the number of years of service, not exceeding 30 years, and divided by 40.

"(c) Any employee at the time of his retirement may elect to receive, in lieu of the life annuity herein described, an increased annuity of equivalent value which shall carry with it a proviso that no unexpended part of the principal upon the annuitant's death shall be returned.

"(d) Any employee retiring under the provisions of section 1 of this act may at the time of his retirement elect to receive in lieu of the life annuity described herein a reduced annuity payable to him during his life, and an annuity after his death payable to his beneficiary, duly designated in writing and filed with the Commission at the time of his retirement, during the life of such beneficiary (a) equal to or (b) 50 percent of such reduced annuity and upon the death of such surviving beneficiary all payments shall cease and no further annuity shall be due or payable. The amounts of the two annuities shall be such that their combined actuarial value on the date of retirement as determined by the Civil Service Commission shall be the same as the actuarial value of the single life increased annuity with forfeiture provided by this section: *Provided*, That no election in lieu of the life annuity provided herein shall become effective in case an employee dies within 30 days after the effective date of retirement, and in the event of such death within this period, such death shall be considered as a death in active service.

"(e) For the purpose of this act all periods of service shall be computed in accordance with section 5 hereof, and the annuity shall be fixed at the nearest multiple of 12.

"(f) The term 'basic salary, pay, or compensation,' wherever used in this act, shall be so construed as to exclude from the operation of the act all bonuses, allowances, overtime pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation."

SEC. 5. Section 6 of the act of May 29, 1930, as amended, is hereby amended as follows:

"(a) At the end of the first paragraph add the following: 'The time limitation for execution of claims for retirement under the terms of this section may be waived by the Civil Service Commission in cases of employees who at the date of separation from service or within 6 months thereafter are adjudged mentally incompetent, but the application in such cases must be filed with the Civil Service Commission within 1 year from the date of restoration of any such person to competency or the appointment of a fiduciary whichever is the earlier. In the case of any such person heretofore separated from service application may be filed within 1 year after the effective date of this act.'

"(b) The second paragraph of section 6 of such act of May 29, 1930, as amended, is amended by striking out the words '90 days from the date of the medical examination showing such recovery' and inserting in lieu thereof the following: '1 year from the date of the medical examination showing such recovery.'"

SEC. 6. Section 7 of the said act of May 29, 1930, as amended, is hereby repealed, and in lieu thereof the following is substituted:

"(a) Should any employee to whom this act applies, after having served for a total period of not less than 5 years and before becoming eligible for retirement become separated from the service, such employee shall be paid a deferred annuity beginning at the age of 62 years, computed as provided in clauses (1) and (2) of section 4 of this act: *Provided*, That any such person involuntarily separated from the service not by removal for cause on charges of misconduct or delinquency may elect to receive an immediate annuity beginning at the age of 55 or at the date of separation from the service if subsequent to that age having a value equal to the present worth of a deferred annuity beginning at the age of 62 years, computed as provided in section 4 of this act.

"(b) Should an annuitant under the provisions of this section be reemployed in a position included in the provisions of this act, the annuity and any right to an immediate or deferred annuity as provided herein shall cease as of the date of such employment. If such annuitant is reemployed in any position in the service of the United States or the District of Columbia, not within the provisions of this act, annuity payments shall be discontinued during the period of such employment, and resumed in the same amount upon termination of such employment.

"(c) Interest shall be allowed on the amount credited to such separated employee's individual account in the retirement fund at 3 percent compounded on June 30 of each year until the beginning date of annuity."

SEC. 7. That in section 9 of the act of May 29, 1930, as amended, after the words "and also 3½ percent of the basic salary, pay, or compensation for services rendered from and after July 1, 1926" insert the following: "and prior to January 1, 1940, and also 5 percent of such basic pay, salary, or compensation for services rendered on and after January 1, 1940."

SEC. 8. Add to the first sentence of section 10 of the act of May 29, 1930, as amended, the following: "*Provided*, That after December 31, 1939, there shall be deducted and withheld from the basic salary, pay, or compensation of any employee to whom this act applies a sum equal to 5 percent of such employee's basic salary, pay, or compensation."

SEC. 9. The following paragraph shall be inserted after the first paragraph of section 10 of the act of May 29, 1930, as amended: "Any employee may at his option and under such regulations as may be prescribed by the Civil Service Commission deposit additional sums in multiples of \$25 but not to exceed 10 percent per annum of his annual basic salary, pay, or compensation, for service rendered since August 1, 1920, which amount together with interest thereon at 3 percent per annum compounded as of June 30 of each year, shall, at the date of his retirement, be available to purchase, as he shall elect and in accordance with such rules and regulations as may be prescribed by the Civil Service Commission with the approval of the Board of Actuaries, in addition to the annuity provided by this act, an annuity according to the experience of the civil-service retirement and disability fund as may from time to time be set forth in tables of annuity values by the Board of Actuaries based on an interest rate of 4 percent. In the event of death or separation from the service of such employee before becoming eligible for retirement on annuity, the total amount so deposited with interest at 3 percent per annum compounded on June 30 of each year shall be refunded in accordance with the provisions of section 12 of this act."

SEC. 10. Strike out paragraph (b) of section 12 of the act of May 29, 1930, as amended, and insert in lieu thereof the following:

"In the case of any employee to whom this act applies who shall be transferred to a position not within the purview of this act, or who shall become absolutely separated from the service before he shall have completed an aggregate of 5 years of service computed in accordance with section 5 of this act, the amount of deductions from his basic salary, pay, or compensation credited to his individual account, together with interest at 4 percent compounded on June 30 of each year shall be returned to such employee: *Provided*, That when an employee becomes involuntarily separated from the service, not by removal for cause on charges of misconduct or delinquency before completing 5 years of creditable service the total amount of deductions from his basic salary, pay, or compensation with interest at 4 percent compounded on June 30 of each year shall be returned to such employee: *And provided further*, That all deductions from basic salary, pay, or compensation so returned to an employee must, upon reinstatement, retransfer, or reappointment to a position coming within the purview of this act be redeposited with interest at 4 percent compounded on June 30 of each year before such employee may derive any benefits under this act, except as provided in this section, but interest shall not be required covering any period of separation from the service."

SEC. 11. Nothing in this act shall be so construed as to affect any rights of employees separated prior to the effective date of this act, but all such rights shall continue and may be enforced in the same manner as though this act had not been made.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 16, line 10, strike out the period, insert a colon and the following: "*Provided further*, That any such person separated from the service not by removal for cause on charges of misconduct or delinquency may elect to receive

a refund of the aggregate of all payments made hereunder along with interest computed at the rate of 4 percent per annum compounded to the date of separation from the service."

Mr. DIRKSEN rose.

Mr. RAMSPECK. Mr. Chairman, if the gentleman will yield, if I correctly understand the reading of the amendment, persons who have served and not reached their retirement age but have separated from the service shall get the money contributed?

Mr. DIRKSEN. Yes; with interest.

Mr. RAMSPECK. The purpose of having a person who has served more than 5 years leave his money in the fund until he reaches an age at which he can get an annuity is to tie this system in, if possible, with the social security. It is recommended by the Commission. For that reason, while I understand the gentleman's motives and his purpose in offering the amendment, I really believe that we would be better off to leave the money in the fund so that a person who goes out of the Government service can have that "backlog" of annuity, because he would not have time to build up much annuity under title II of the social security if he went out.

Mr. DIRKSEN. I may say to the gentleman from Georgia that, irrespective of the reason for which one might be separated—it might be voluntary or it might be involuntary—it would appear to me to be a very poor practice for him, having paid into the fund and then separating himself from the service of the country, not to be able to regain his money with interest compounded to the date of separation. That would follow out only good practice followed by every insurance company in the country. Certainly the Federal Government ought not to be barred from that good, settled, actuarial practice.

Mr. RAMSPECK. Under title II of the Social Security Act a person might work in industry, we will say, for 18 years and reach the age of 45, and then quit his job and buy a farm and retire to it for the purpose of engaging in farming. He would not get back the money he had paid in under title II of the Social Security Act. The money would stay there until he was 65 years of age, and then he would get an annuity. It is the purpose of this provision to tie in with that principle established in the Social Security Act.

Mr. DIRKSEN. Of course, I would say in answer to the contention of the gentleman from Georgia that one who separates himself from the service might have money in the fund and might need that money, but it would be frozen there under the provisions of this bill unless there was the right of election to receive a refund.

On page 18 of the bill, where an employee makes a separate contribution in order to make the annuity come at an earlier date, there is provision for a refund, but where he has served for more than 5 years but not for the retirement period which would make him eligible for the annuity the money is frozen. He ought to be entitled to take that money out, as would be the case if he had an annuity in an insurance company.

Mr. Chairman, I believe the amendment commends itself to fairness, to common sense, and to good practice, and should be adopted.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment.

I have the highest regard for my friend from Illinois. I believe he is one of the most able and conscientious Members of this House. However, I really believe that in order to tie in with the principle established under title II of the Social Security Act a person who has worked in the Government service 5 years or more ought to have his payment left in this trust fund to accumulate interest. The purpose of all these laws dealing with the question of an annuity or social security is to make it possible for a person to have some income when he gets past the earning age of life.

Mr. Chairman, I hope the Committee will vote down this amendment.

Mr. CROWTHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offer this pro forma amendment not because I have any objection to the amendment offered by the gentleman from Illinois but for the purpose of reading into the Record a little incident that happened on a similar occasion, on February 26, 1925, when the question was before this House of raising the salaries of Members of Congress. The action then was very similar to that taken today, many Members arguing and intending to vote against the proposition with their fingers crossed and hoping to God it would pass. A man who had the real courage of his convictions was the Honorable Frank Clark, of Florida, who was succeeded by the gentleman from Florida, the Honorable LEX GREEN. He came down into the Well of the House and said this:

Mr. Speaker, \$10,000 is not commensurate with the service performed here. Some of my good friends opposed this increase and I know they did it conscientiously and sincerely. They did not want it but sometimes it is necessary to make people, for their own good, do things against their will. The action of some of my good friends reminds me of a story told me by a colleague only a few days ago, and I will repeat it here because I think it illustrates the point.

"An old gentleman who had been a drinking man in his day, had finally concluded to quit, and he did quit. A few months later he was taken deathly ill, and lying upon his bed of pain and sickness, and as everybody said, his last illness, he called his wife to him one day and he said, 'Mary, down in the hall is an old hair trunk of mine. Many months ago I hid in that trunk a bottle of good old peach brandy. I hid it from you, Mary, and I have not touched it since. I want you to go down there and get that bottle of peach brandy; I want you to take a glass, pour it about half full, put a little sugar in it, and stir it; then put a little piece of ice in it, Mary, and then bring it up here, and, Mary, no matter what I do or say, you make me take it.'"

[Laughter and applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the committee substitute for the Senate bill.

The substitute amendment was agreed to.

The CHAIRMAN. Under the rule the Committee will rise. Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration Senate bill 281, and pursuant to House Resolution 250, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate still further insists upon its amendment to the bill (H. R. 6577) entitled "An act to provide revenue for the District of Columbia, and for other purposes"; that it agrees to the still further conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. KING, Mr. GLASS, Mr. TYDINGS, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5610) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House

to the bill (S. 1796) entitled "An act to amend the Tennessee Valley Authority Act of 1933."

The message also announced that the Senate had ordered Mr. WALSH and Mr. CONNALLY be appointed additional conferees on the part of the Senate to the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6635) entitled "An act to amend the Social Security Act, and for other purposes."

The message also announced that the Senate recedes from its amendment, disagreed to by the House, to the bill (H. R. 5748) entitled "An act to amend the Second Liberty Bond Act, as amended."

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 118. Joint resolution to provide for the establishment and maintenance of the Franklin D. Roosevelt Library, and for other purposes.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement of the National Advisory Committee on Aeronautics by Dr. Bush, and also to extend my remarks and include therein a statement on the wool industry.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by Gov. Frank M. Dixon, of Alabama, who testified at the hearing on the wage and hour textile code.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MASSINGALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the cost of production of farm products, and the attacks that have been made on the bill during this session of Congress.

The SPEAKER. Is there objection?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from a magazine on Japan and the United States.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of matters on the Speaker's table, and the legislative business of the day, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter addressed to the managing editor of the United States Daily News relative to my view on neutrality, and also a brief editorial on the same subject.

The SPEAKER. Is there objection?

There was no objection.

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Michigan [Mr. CRAWFORD], be permitted to extend his remarks in the RECORD and to include therein a letter from the German Embassy.

The SPEAKER. Is there objection?

There was no objection.

Mr. REES of Kansas asked and was granted permission to revise and extend his remarks.

Mr. FENTON. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an article by Henry DeSoto, combustion engineer, the article appearing in Anthracite Tri-District News.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a joint resolution by the Wisconsin State Legislature.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting a brief editorial appearing in the Washington Times on the Wagner-Rogers children-refugee bill.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business on the calendar for Wednesday next may be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Under special order of the House heretofore made, the gentleman from Pennsylvania [Mr. VAN ZANDT] is entitled to recognition for 20 minutes.

THE HIGH COST OF CHEAP TRANSPORTATION

Mr. VAN ZANDT. Mr. Speaker, there are few, if any, congressional districts in this country with a larger proportion of population dependent on the railroad industry than the Twenty-third District of Pennsylvania, which I have the honor to represent. For that reason it is only natural that I take a keen interest in legislation to afford a measure of relief to the railroads, which contribute directly and indirectly to the economic welfare of so many of my constituents.

Aside from such practical considerations, I have a deep personal interest in railroad-relief legislation. I come from a family of railroaders. I am a railroader myself, with 24 years of service. Most of my friends in my home town of Altoona, one of the great railroad centers of the country, are railroaders. So I have a sentimental feeling about railroading and a sympathetic understanding of the railroaders' problems, which are bound up with the general railroad problem.

For these reasons I am doubly anxious to contribute anything I can to the solution of the railroad problem; and, aside from these personal and practical considerations, my knowledge and experience in railroading convinces me that this problem must be solved in the interest of the national welfare. The railroad employee, the management, and the investor in railroad securities are not the only parties interested in a sound solution of the problem. Primary consideration must be given to the public—the passenger and the shipper. Any legislation which fails to consider all the factors involved in this problem is neither just nor in the national interest.

And, inasmuch as the railroads constitute a vital part of the national defense, the Government itself has an interest of paramount importance in the efficiency of the rail-transportation systems. The break-down of the railroads in a war crisis would be disastrous. We had a sad experience in Government operation of the railroads during the World War. We should profit by that experience in the face of danger in the future.

Fortunately, the American public realizes the railroad problem must be approached from a broad, national standpoint. The people understand the human side of the railroad problem. They know the high wages paid to the army of skilled workers who man the roads constitute an important factor in our national economic well-being. They know the numerous investors in railroad securities must receive a fair return on their money or the funds will be diverted to other industries and enterprises. They know the roads cannot be expected to produce revenue to pay dividends unless the rail carriers are given something approaching equality with competitors in matters of taxation and regulation.

In fact, the crux of the railroad problem is the unequal and economically wasteful competition for traffic among the various modes of transportation. This unequal and economically wasteful competitive problem has been growing more acute with each passing year. No other industry in the country is confronted with such a difficult competitive situation as the railroads. Most of the other modes of transportation enjoy some sort of Government subsidy not granted to the railroads. This favoritism has resulted in the creation of transportation facilities beyond the ability of the traffic to support them all. The favoritism to the competitors of the railroads in matters of subsidies, taxation, and regulation has produced the present crisis in the railroad industry. The only sound way to meet this crisis is to adopt a policy of equal rights for all modes of transportation and special privileges for none in matters of regulation, taxation, and subsidies. That policy should be pursued so as to preserve the special advantages of each mode of transportation.

Whether the legislation now in the making will accomplish this result remains to be seen, but at least a somewhat tardy recognition of this crisis has come from the administration, and, in response to public demand for action, the President has called upon Congress to enact remedial legislation to solve some of the more pressing railroad problems. It is encouraging that railroad-relief legislation is among the important matters remaining for Congress to complete before this session adjourns sine die.

Already the Senate has passed a bill designed to reach and correct some of the factors contributing to the railroad problem. For several months the House Committee on Interstate and Foreign Commerce has been working on the legislation, and a measure is expected to be reported to the House within a few days. I wish to call attention to certain activities from without Congress in connection with that legislation.

Everyone who takes even a casual interest in this matter knows the railroad-relief bill passed by the Senate provides that the transportation facilities on inland waterways shall be placed under the supervision and regulation of the Interstate Commerce Commission for the first time in our history. And despite the fact that these inland waterways transportation facilities enjoy subsidies and taxation advantages over the railroads and some other land carriers, in addition to a great difference in the cost of equipment and numerous items of overhead and maintenance, these interests are raising a great row about the provision in the Senate bill.

The railroad employees and the investors in railroad securities, as well as the people who pay for the Government subsidies, have a legitimate complaint about unjust discriminations which affect their bread and butter, their investments, and their taxes. But certainly, the inland-waterway interests have no right to complain. Even under the strict regulation of the Interstate Commerce Commission, these interests still will enjoy many advantages over the railroads.

Not content to rest their case on a solid foundation of fact, some of the inland-waterway interests are inspiring false and misleading information in an effort to fool Congress and the country. As might be expected under the circumstances, the farmer is being used as a foil to fight the battle of the water lines. All too frequently the farmer is used for such purposes without his knowledge or consent, and it seems this case is no exception to that rule.

Certain statements have been made to the effect that the farmers are opposed to the regulation of the water lines by the Interstate Commerce Commission. It is very doubtful whether some of those who assume to speak for the agricultural industry really are authorized to do so. And here is a case in point.

Recently, Mr. Harry Feltus, who claimed to speak for 400,000 farmers, appeared before a Senate committee in opposition to regulations of waterway transportation facilities. On the heels of his appearance there came a denial from the very association which this gentleman claimed to represent and a disclaimer that he spoke for the members. There appears in the CONGRESSIONAL RECORD of May 22, 1939, page 5876, a complete repudiation of Mr. Feltus and his views on this issue. Mr. Feltus had opposed regulations of waterways, but the Farmers' Union, which he claimed to represent, wrote to Senator WHEELER, of Montana, chairman of the Senate Interstate Commerce Committee, and condemned his statement. This repudiation stated, in part:

So far as the regulation of traffic on the river is concerned, there is no more reason why traffic thereon should not be regulated than as applied to railroads. In any important branch of our industry, bad practices, such as discrimination, rates, rebates, preferences, or what not, can only be minimized through governmental regulation.

That statement leaves no room for doubt as to whether Mr. Feltus speaks for the farmers or whether that group of farmers speaks for itself.

More recently, Mr. Brenckman, the Washington representative of the National Grange, issued a statement in which he opposed any legislation which would subject the water carriers to regulation by the Interstate Commerce Commission. He indicated that his statements reflected the sentiments of the farmers of the country.

Now, let me call attention to certain resolutions of the Farm Bureau and Grange organizations. These do not indicate that Mr. Brenckman really voices the sentiments of the farmers of the Nation.

The Indiana State Grange declared:

Corresponding regulation of rates and service should extend to all other agencies—water, highway, and air—to the extent that they are competitive with railroads.

The Iowa State Grange declared that—

Federal regulation of rates and service should be extended to truck lines, waterways, and pipe lines.

The Ohio State Grange recommended—

Equality and fairness in regulation of rates and service.

The development and improvement of inland waterways have cost the American taxpayers hundreds of millions of dollars. There is a question about the wisdom of these huge outlays of the taxpayers' money. Now, let us apply the test that must be applied to the essential problem in dealing with any agency of transportation: Does the consumer get the benefit of vast expenditures of his tax money?

The only valid reason that can be given for spending millions and millions of dollars of the taxpayers' money every year on inland waterways is to provide transportation at more reasonable rates than can be furnished by other carriers. This saving in transportation costs is supposed to be passed on to the taxpayers who pay for the facility. So, unless the rates for water transportation actually result in a saving to the taxpayers, then the only reason and excuse for the waterways is gone. Now, let us apply the test.

Senator WHEELER, speaking before the Senate and basing his remarks upon extended hearings on this subject, said:

The fact of the matter is that when the oil companies, the steel companies, or any of the rest of them ship their products by water they receive a benefit, but the consuming public does not get one 5-cent piece benefit out of it. As a matter of fact, when the companies ship oil or steel on the Mississippi River they charge the railroad rate from Pittsburgh to the particular point, whether the commodity is shipped by water or whether it is shipped in any other way.

That statement appears in the CONGRESSIONAL RECORD of May 22, 1938, page 5872.

The Senator also referred to hearings before the Interstate Commerce Commission, held in Memphis, Tenn., in February 1939. It involved rates on gasoline and kerosene from Baton Rouge to Alabama points. In that case, Mr. A. M. Stephens, general traffic manager of the Standard Oil Co. of Kentucky, testified thus:

We exercise our judgment and foresight in consideration of all these matters. We have found that none of the other companies are passing any of this money on to the consuming public.

Now, as an instance in mind, I have before me at the present time a statement of the market price delivered to points in northern Georgia, to which you move gas out of Guntersville, for instance, at Dalton when you first began operation the market price at Dalton was 18 cents; that is, the posted market on May 8, 1938. In December 1938 it was 17.5, reflecting a reduction in the refined market at Shreveport and the Gulf coast, and it represents one-half cent reduction entirely in the tank price so far as dollars are concerned. In other words * * * we have not seen any passage of this savings to the consuming public. * * * We have not found that any of that has been passed on to the consumer.

Recently Mr. W. H. Reed, an oil dealer in Memphis, Tenn., made an address in which he said:

Taxpayers are fed the baloney that the Mississippi River is a wonderful thing for the people of Memphis. * * *

As to the oil business, the truth is "the Mississippi River is the curse of Memphis."

On the one hand, public taxes keep the river highway open for oil barges of the oil corporations. On the other hand, water transportation, made possible by millions of dollars of public money, has crucified the railroads and there would be thousands of jobs for railroad men if they got the freight that now moves by water.

The question is * * * if the public pays millions in taxes to get the benefit of cheap water transportation, does the public get the benefit of water transportation or what?

The answer is that the oil corporations get the benefit of cheap water transportation. And the oil corporations keep the profits themselves. The public pays the bills to make water transportation possible. The oil corporations get richer.

When I buy a tank of gasoline I pay the spot market price for the gasoline. But in addition I have to pay the oil company as freight the railroad freight rate on gasoline from Shreveport, La., to Memphis. Understand that the gasoline I get never saw Shreveport, La. It came to Memphis by water from the New Orleans refining district. The actual water charge on this gasoline is about one-half cent per gallon, but I have to pay a railroad rate from Shreveport, which is over 2 cents a gallon. In other words, the oil corporation takes me for a buggy ride to the extent of 1½ cents per gallon. In money, this means that every time I get a 10,000-gallon car of gasoline the oil company makes \$150.

The Federal Trade Commission has just finished a study of the motor-vehicle industry. In summarizing their conclusions, the Commission said:

Some manufacturers often bill their dealers for transportation in amounts in excess of the actual cost of delivering automobiles to the dealers. * * * The Ford Motor Co.'s transportation charges are based on the carload rate from Detroit, Mich., to destination. Both General Motors Corporation and the Ford Motor Co. have assembly plants in various parts of the country.

Transportation charges in excess of the actual amount paid apparently are not confined to deliveries from assembly plants.

Both these companies use water as well as highway operations, and yet charge the purchaser the rail rate, whatever the savings may have been on subsidized waterways and highways.

Much has been said in support of waterway improvement to the effect that it would benefit the producer, especially the farmer, in his production of grain. On this point Mr. M. W. Thatcher, of the Farmers' Union Grain Terminal Association at St. Paul, has written to Senator WHEELER as follows (CONGRESSIONAL RECORD, May 22, 1939, p. 5876):

Years ago we built a terminal elevator at St. Paul, on the river. I have managed that elevator, with over 2,000,000-bushels capacity, for several past years. I have made many attempts to secure facilities and rates of transportation that would permit us to put farmers' wheat through that elevator and ship it abroad in competition with others. I have not once been quoted a rate on the river that would enable us to ship any grain in foreign commerce because the rate was just too high. We have been able to move a little oats and barley in domestic commerce down the river, and all in the world that accomplishes is to put us into competition with producers in other areas who had a railroad advantage over us. That sort of business, which would give us an advantage by river over another group of farmers in the United States using rail service, tends to bear down on price of the agricultural product. It certainly doesn't enhance the income to agriculture.

Our entire group has historically been for development of waterway transportation. The theory back of our support rests upon

an excess charge by the railroads, but, since railroads are generally in the "red," the question now comes to our mind as to whether or not there is a great deal of value in our old position. We believe that water transportation is desirable as a means of competition against railroads, which might otherwise have a monopoly. It is generally believed amongst our group that with some of the products moved up the river to our consumers, that gain from lower transportation is sometimes retained by the shipper and not of any material benefit to the consumer.

As further proof of my statement that the farmers and the farm organizations are being used in a deliberate effort to mislead Members of Congress as to their true position on the question of regulation of inland waterways, I wish to place some documentary evidence in the RECORD at this point. I am submitting statements and resolutions made and adopted by various farm organizations to show that the farmers favor the regulation of the water lines and other methods of transportation in competition with the railroads. These statements and resolutions come from North Carolina, Montana, Arkansas, California, Ohio, Mississippi, Wisconsin, Nevada, Minnesota, Louisiana, Indiana, Iowa, and Virginia.

I believe there can be no doubt of these documents reflecting the views of a representative cross section of the American farmers on this issue of equality and fairness in regulation of transportation facilities. I would be very happy to have the gentlemen representing districts in those States to examine these resolutions in case there is any question in their minds about the position of the farmers in their own district on this important national question. It might set some of these gentlemen straight on this question.

Statement of position on behalf of the North Carolina Farm Bureau by its executive committee, meeting at Wilson, N. C., Wednesday, August 31, 1938, with respect to transportation

1. We believe that an adequate and efficient railway system is essential in the interest of agriculture's development and prosperity.

2. We believe that the best interests of agriculture will be served by a continuation of private ownership and operation of our railroads.

3. We believe that our railroads should continue under reasonable regulation of rates and service to assure to agriculture a fair consideration as to reasonableness of rates and adequacy of service. Reasonable freedom and flexibility should be left to management to enable it to explore all avenues to economy, all improvements in service, and every advancement in methods. A reasonable element of competition should be retained between railroads themselves. Corresponding regulation of rates and service should extend to all other agencies—water, highway, and air—to the extent that they are competitive with railroads and for that reason. Competition as to every agency should be fair.

4. While the interests of agriculture require adequate, dependable, and efficient transportation service, with a reasonable element of healthy competition, an excess of facilities and unnecessary duplication will prove to be a burden in which agriculture must share. The Farm Bureau has always stood for improvement of farm-to-market roads to reduce cost of initial movement of produce from the farm, and we believe that expenditures on such roads should be stressed rather than on expensive through-highways duplicating existing agencies, or on waterway improvements of doubtful usefulness. Proper coordination of service can best be secured this way and total cost of transportation be kept down.

5. We believe that Government should not compete unfairly with private business in transportation. Government barge lines now operating do not have to meet all costs paid by private companies in competition, such as interest, taxes, damage claims, telegraph, workmen's compensation, unemployment insurance. In fairness, Government should dispose of its waterway facilities to private interests on all inland waterways, where they compete with privately owned and operated facilities.

6. Abandonment of unprofitable mileage and consolidation of lines should be permitted where, in the first instance, other transportation is available and, in the second, public interest is served.

7. Under reasonable regulation of rates and service railroads should be permitted to become transportation agencies, utilizing all agencies to best advantage, and to develop to the fullest the inherent advantages of each.

8. There should be adopted a fair and comprehensive national transportation policy with full consideration given to the needs and usefulness of each agency so as to bring about a genuine coordination and a smoothly working relationship among them all. This will result in the best service at the lowest cost.

Resolutions adopted by Montana State Farm Bureau and associated women of the Farm Bureau at annual meeting, November 15, 1938

Whereas the railroads of the Nation have come to a place where definite changes must be made in their policies of operation and revenue income: Therefore be it

Resolved, That we support the railroads in this matter:

1. Railroads are the most important and essential means of transportation. Other agencies have developed more recently. All are useful and should be sustained within their bounds of usefulness. The growth of all agencies has been without plan or program or policy. The situation in the transportation field today, and especially with respect to railroads, demands a sound, consistent national policy covering all agencies, so that the people of the country will be given an efficient, smoothly working system at the lowest level of cost. In framing this policy organized agriculture must have a voice.

2. In determining a national transportation policy, provision should be made for a continuance of railroads under private ownership and operation.

3. With adequate protection to public interest, provision should be made for a fair and reasonable coordination of facilities and service, for consolidation and unifications found to be in the public interest in reducing costs and improving service, and for eliminating unproductive investment.

4. Regulation of rates and service should apply fairly to all agencies engaged in the business of transportation for hire and competing for the same traffic, and with ample protection to shippers and the public, should leave management the necessary freedom to seek out every practical possibility for improved service and lower costs and to make required adjustments to meet changing conditions.

5. We go on record as being opposed to government going into business in competition with private enterprise, including transportation.

6. Since hazards at rail-highway grade crossings are now largely created by highway operations, the financial burden of crossing protection and elimination should be removed and the present policy, now an emergency policy, should be made permanent. A fair principle is for each agency to pay in proportion to benefits received.

7. State and Federal policies should be harmonized with fair and consistent treatment to every means of transportation. This includes fair treatment with respect to taxation, as well as other policies.

Resolution of the Arkansas Farm Bureau Federation in Little Rock, November 17 and 18, 1938

We believe that the regulation of all forms of transportation—railways, waterways, highways, pipe lines, and airways—should be under one Government agency.

We favor the enactment of new laws or amendments of existing laws that will give the railroads greater freedom in making rates to meet competition.

We think that the railroads should be permitted to remain under private ownership, and continue to pay taxes so necessary for the maintenance of our State and local governments and our public schools.

Resolution adopted by California Farm Bureau Federation at State convention, Sacramento, Calif., November 17, 1938

Resolution No. 11

NATIONAL TRANSPORTATION LEGISLATION

Resolved, That the public interest demands that, in order to preserve an adequate rail transportation system, helpful legislation must be enacted relative to the rate-making power of the railroads, land-grant rates repealed, increased tolls established for inland waterways, restrictions removed to enable the securing of governmental or other loans, the revision of the long-and-short-haul rules, and other remedial legislation passed in connection with taxation, consolidations, grade crossings, coordinated and allied transportation on highways, construction of bridges, labor relations, and other important matters materially affecting the ability of the railroads to operate and to render effective service to the public, and be it further

Resolved, That agriculture be represented on all governmental or quasi-governmental bodies or groups organized for the purpose of recommending remedial action in connection with rail matters, or formulating rules or regulations in connection therewith.

Resolution regarding transportation passed at the annual meeting of the Ohio Farm Bureau Federation, Columbus, Ohio, November 17 and 18, 1938

1. The great majority of farmers, being located at points not adjacent to seaports or navigable inland waters, are dependent in large measure upon rail transportation in sending their products to market. We believe that every increase in general traffic carried by the railroads will have a tendency to minimize the burden upon the farmers and to lower the rates upon agricultural products. In order to obtain volume of traffic, the railroads should be permitted to adjust their rates promptly to meet the needs of commerce and to meet competition. Therefore, subject to the power of the Interstate Commerce Commission to suspend tariffs, to fix maximum and minimum rates, and to prohibit unreasonable discrimination, we favor the repeal of the long-and-short-haul clause of the fourth section of the Interstate Commerce Act.

2. Recognizing that an economical and a speedy interchange of commodities between farm and market is necessary to agricultural prosperity, we believe that an adequate and efficient system of railway transportation, privately owned and operated under reasonable regulations, is essential. In furtherance of this belief, we think the

following principles should be recognized by the public, the Government, the railroad employees, and the railways:

a. Equality and fairness of treatment in regulation of rates and service and in taxation among all competing forms of commercial transportation agencies—air, highway, pipe line, rail, and water.

b. An immediate abandonment by State and Federal legislative bodies of expensive, make-work, or unnecessary transportation legislation.

c. A state and national transportation policy providing for such consolidation, coordination, private ownership, and public regulation of all competing forms of commercial transportation agencies as may best promote adequate and more economical service to agriculture.

3. We oppose any further increase in freight rates on fertilizer or fertilizer materials at this time.

Resolution with respect to transportation, by Mississippi Farm Bureau, November 30 to December 3, 1938, Jackson, Miss.

We believe that an adequate, efficient, and dependable system of railway transportation is vitally necessary to Mississippi agriculture, and that a continuation of private ownership and operation of our railroads is to the best interest of agriculture. Regulation of rates and service should be extended to all forms of transportation alike, and safety to life and property be required and assured by all transportation agencies. Finally, we believe that there should be adopted a fair and comprehensive national transportation policy with full consideration given to the needs of each agency so as to bring about a genuine coordination and smoothly working relationship among all.

Resolution adopted by Wisconsin Farm Bureau Federation in convention at Madison, Wis., December 6, 1938

In view of the fact that large sums of money are being expended for the construction of new highways to accommodate today's traffic, much of which is commercial hauling, be it resolved by the Wisconsin Farm Bureau Federation in convention assembled, That further studies be made by our legislative bodies in order that we may establish a sound policy of transportation legislation, which will give a fair chance for each form of transportation to compete in that field of service for which it is best adapted; and that the practice of subsidizing certain forms of transportation to the detriment of others be discontinued.

Resolution adopted by Nevada State Farm Bureau in annual convention at Reno, Nev., January 31-February 3, 1939

1. The time has come for the adoption of a sound national transportation policy, including all agencies engaged in competition for interstate commerce, and for a corresponding policy within the States, recognizing all agencies are useful, each should be developed to the extent of its usefulness, fully protecting the inherent advantages of each, avoiding excess facilities and making possible a proper coordination of both facilities and service.

2. Railroads should continue in private ownership and operation.

3. With proper public safeguards, provision should be made for coordination of facilities and service under one management, unification of lines for improvement of service and reduction of cost, and for the abandonment of unproductive mileage where other agencies exist.

4. Regulation of rates and service of competing agencies that is fair to all and with ample protection to shippers and the public and such necessary freedom to management as to enable it to seek out every practical possibility for lower costs and improved service, and to make necessary adjustments to changing conditions.

5. The law creating a government corporation to operate in interstate commerce and in competition with private business intended the sale of these Government facilities to private business. The intent of the law should be carried out and the Government operations disposed of to private interests.

6. Each transportation agency should bear its own burden for protecting persons and property. No higher standards should be set up for one agency than for another. In respect to rail-highway grade-crossing protection and elimination, each agency should bear the cost in proportion to benefits received.

7. State action relating to transport agencies, like Federal action, should be fair to all, and should be in harmony with Federal action, the State preserving fully its essential rights and authority. This includes fair treatment with respect to taxation.

Resolution of Minnesota Farm Bureau

To the end that each form of transportation shall be enabled to do the work for which it is best suited and that agriculture may be adequately served at lowest level of cost, we recommend the adoption of a sound national transportation policy that will give to each form of transportation:

1. The right to meet competition on equal terms;
2. The opportunity to coordinate facilities and service;
3. Equality in the matters of regulation, taxation for general governmental purposes;

4. Repeal of the long-and-short-haul clause;

5. Repeal of land-grant rates.

The Minnesota Farm Bureau further goes on record opposing any legislation, either State or national that will increase the cost of transportation.

Resolution adopted by American Farm Bureau Federation at New Orleans, La., December 13-15, 1938

American farmers are vitally interested in the maintenance of a highly efficient transportation system. We reaffirm the comprehensive resolution on transportation adopted at the annual meeting in 1936.

We recognize that American railroads constitute an essential transportation agency and believe their continued operation under private ownership will best assure the highest degree of efficient and improved service to the public.

Rules and regulations causing enforced costs entering railroad operations and transportation rates of the railroads should be adjusted to the extent necessary under efficient operations to permit improvement of services and a reasonable return on prudent investment.

On the other hand, the railroads must continue under such reasonable regulation as will assure the public fair and reasonable rates and adequate service; but the underlying purposes of such regulation should be to foster and encourage, rather than to restrict, sound and orderly development and operation, of an efficient and economical railroad system. Reasonable freedom and flexibility should be left to railroad management in fixing rates and in exploring all avenues to economy, including consolidation and elimination, all improvements in service, and every advancement in methods.

To accomplish this end requires immediate readjustment of governmental policies to provide relative treatment of different types of transportation without limiting any natural advantages accruing to any particular type where such advantages are being reflected to the public interest.

Report of Resolutions Committee at Indiana State Grange Annual Meeting, Goshen, Ind., October 20, 1938

A TRANSPORTATION PROGRAM

1. We believe an adequate and efficient railway system is essential to the interest of agriculture's development and prosperity.
2. We believe the best interests of agriculture will be served by a continuation of private ownership and operation of our railroads.
3. We believe our railroads should continue under reasonable regulations assuring agriculture fairness in rates and adequate service.
4. Corresponding regulation of rates and service should extend to all other agencies—water, highway, and air—to the extent that they are competitive with railroads.
5. Organized farmers have always stood for improvement of farm-to-market roads, and we believe that expenditures on such roads should be stressed, rather than on expensive through highways duplicating existing transportation agencies or on waterway improvements of doubtful usefulness. Proper coordination of service can be helpful in keeping the cost of transportation to a minimum.
6. Abandonment of unprofitable mileage and consolidation of lines should be permitted where other transportation is available and the public's interest is not impaired.

Report of the legislative committee, Iowa State Grange, 1938 session, Newton, Iowa

The time is here for organized agriculture to take a stand for farmers and demand just treatment of the Government toward all agencies of transportation so that agriculture and industry may be well and efficiently served and real progress made toward a more sound and better transportation policy. Such a policy should include:

1. Continuation of railroads as privately owned and operated enterprises.
2. More flexibility in rates and service of common carriers based on general price levels and density of traffic.
3. Federal regulation of rates and service should be extended to truck lines, waterways, and pipe lines.
4. Safety to life and property should be required and assured by all agencies.
5. Preferential rates based on old land grants should be repealed.
6. Government subsidized transportation agencies should not be continued so long as taxpayers must support them.

Be it

Resolved, That we favor the enactment of a law limiting the speed of motor vehicles to 50 miles per hour; be it

Resolved, That we are opposed to recipients of relief from either Federal, State, or local funds being holders of liquor permits; be it

Resolved, That we are opposed to additional hard surfacing of primary roads until at least all existing mail-route roads are graveled and all farm-to-market roads brought to grade; be it

Resolved, That we advocate legislation requiring the registration of all unnaturalized foreign born, with deportation of those refusing to become naturalized within a reasonable time.

RALPH LONGLEY, *Chairman*.

Adopted.

Report of transportation committee, Virginia State Grange Meeting, Marion, Va., October 26 and 28.

Recognizing that an adequate, efficient, and dependable system of railway transportation is vitally necessary to Virginia agricultural development and prosperity, we believe that—

The best interests of agriculture can be served by maintaining the railroads in their full vigor and usefulness; and also recognizing that fair and equitable competition and regulation in transportation are essential to the economic well-being of the Nation, we favor a national transportation policy which will treat all agencies of transportation fairly and impartially.

We favor the coordination and unification of all Federal activities in the field of common-carrier transportation developments to the end that costly and unnecessary duplication of transportation system and overproduction of transportation facilities may be avoided.

We believe that amendments should be made to existing transportation laws and regulations to permit railway management, under proper regulatory supervision, all proper freedom of judgment and action in meeting changing conditions and competition. We believe that under present conditions the best interests of agriculture and the Nation at large will be served by a continuation of private ownership and operation of our railroads.

Ohio State Grange, adopted Thursday, December 15, 1938

Maintaining a speedy and economical transportation is a vital necessity to agriculture, our national defense, and prosperity: Therefore be it

Resolved, That we stand for just treatment by the Government toward all agencies of transportation.

We recommend:

1. Continued private ownership of railroads.
2. Equality and fairness in regulation of rates and service, based on general price levels and density of traffic.
3. All agencies should be required to assure safety to life and property.

One of the popular fallacies of a few decades ago to the effect that inland waterways furnish "cheap transportation" also has been exploded. Even a casual examination of this question reveals that what once may have been "cheap transportation" is now dear. And the cost, as usual, falls on the taxpayers. They are paying for service they do not receive. And that is a fraud on the taxpayers.

For example, let us take the old Erie Canal. That was a genuinely cheap and useful public project in its time, but that time has long since passed. The Erie Canal now is a "white elephant" and a very expensive one on the hands of the American taxpayers.

When the Erie Canal was dug the shippers who used it were willing to pay for its use. Later the shippers were unwilling to pay tolls for the use of the canal. More than 50 years ago we relieved the users of the payment of tolls and added the cost of maintaining and operating the canals and improved waterways to the general tax burden. Thus did we cast free from the only true test of economic justification and embark upon a program of so-called "cheap transportation." It was "cheap transportation" for a very few shippers at the expense of all the American taxpayers.

Now, let us take another look at this so-called "cheap transportation" with the old Erie Canal, now the New York State Barge Canal, as an example. Since 1903, when its rebuilding started, this particular piece of "cheap transportation" has cost the American taxpayers in construction work alone about \$337,000 a mile. It is costing nearly another \$5,300 per mile per year to maintain and operate it. And that figure does not take into consideration anything at all for interest on the enormous investment per mile. This waterway, created at such a cost and used without any toll payments, has only a fraction of the annual freight-carrying capacity of a good single-track railroad. But this was done and is being continued in the name of "cheap transportation."

Now let us consider the cost of an improved natural waterway. Take the Ohio River. It is regarded as the most successful of the long-distance inland river transportation projects. The improvement of the Ohio River amounted to the virtual building of that waterway. It cost the taxpayers approximately \$142,000 per mile for that job. Now it is costing them about \$3,880 per mile per year in maintenance and operating charges. And all that is provided free of charge to the comparative few who are in a position to make use of this "cheap transportation."

We find the same story of "cheap transportation" on the Mississippi River. No sooner was the Mississippi improved with a 9-foot channel up to St. Louis then a demand came from Minneapolis and St. Paul for an extension of the channel up to them. That was done at a cost so far of \$228,000

per mile for construction and of \$2,300 per mile per year for maintenance and operation. And all the American taxpayers are paying for it day in and day out, year after year.

Now, let us compare those costs with the investment in rail roadway. The average for a mile of rail roadway is about \$61,000 for each mile of line. That includes the cost of sidings, yard tracks, and second, third, and fourth, and other additional main tracks. Maintenance of track and structures averages \$1,733 a year for each mile of line, less than half the cost of maintaining the channel of the Ohio River.

And—do not overlook this fact—the total economic cost of doing the job on the railroads is less than it is on the rivers and canals—even when it is considered that, besides paying their own costs, the railroads pay taxes averaging more than \$1,400 per mile of line each year.

Go down the list of river building and the development, improvement, and maintenance of all the inland-waterway projects in the country and you will find the same story in a slightly varying degree. The result will be the inescapable conclusion that this so-called cheap transportation is a myth, a delusion, and a snare and a fraud upon the American taxpayers. If the American taxpayers were getting their money's worth, you would hear no protest from me. But the facts show they are not even getting a good run for their money and therefore I protest.

The gentlemen of this House would do well to scrutinize closely all of this false and misleading propaganda being put out in the name of the American farmers and their falsely alleged opposition to the regulation of the water lines. Gentlemen would do well to remember there is no substitute for rail transportation. But no matter how economically and how efficiently the railroads may be run, they cannot be expected to compete with subsidized transportation facilities of all sorts, which also go untaxed and unregulated. At any rate, none of the competing modes of transportation is regulated as rigidly as the railroads and none of them pay taxes comparable with the levies imposed upon the railroads by Federal and State governments and municipalities.

If gentlemen look sharply, they will find these fake farmers wearing false whiskers in an effort to perpetrate further fraud upon the American taxpayers and ruin the best, cheapest, and safest means of transportation yet devised for weight and distance. And probably the unkindest cut of all is the use of the taxes paid into the Treasury by the railroads themselves to create and subsidize unregulated and untaxed competition.

The railroads are not asking for any special concessions. All they ask is that Congress place subsidized, unregulated, and untaxed competitors, such as the water carriers, upon a footing nearer an equality. Absolute competitive equality is impossible because even with the proposed regulations, the water carriers still would enjoy extra breaks in many respects.

The railroads long have been one of the best business barometers in this country. Railroad prosperity means national prosperity. Sound public policy with respect to the railroads, economic statesmanship, and fair dealing will have more effect than any other single factor in restoring prosperity in this country. There is economic advantage to the country at large in other modes of transportation, but let us assess them at their true value to the American people. Let every transportation facility stand on its own feet, on an equality with all others so far as subsidy, taxation, and regulation are concerned. Do that and you will hear no complaint from the railroads, the investors, or the public.

After all, the public—the taxpayer—is the chief sufferer from this economic nonsense. The public is learning the fallacy of "cheap transportation." The taxpayer is learning that he is paying two prices for his "cheap transportation." He is paying for the subsidies and he finds no saving in the rates charged for "cheap transportation." It is only a matter of time before the taxpayers make this discovery in sufficient numbers to bring about a change in our national transportation policy. When that time comes some gentle-

men will be retired from public office by the voters and we will establish a policy of just and equal opportunity for all transportation agencies, for all will be free to render their best service at the lowest true cost. Then and only then will we have truly cheap transportation in the United States of America.

The SPEAKER. Under special order of the House the gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

THE WRECKERS ARE AT WORK

Mr. HOFFMAN. Mr. Speaker, the wreckers are at work destroying the economic structure of our country; depriving the citizen of his property, his liberty; tearing out the very foundations of our constitutional government.

John L. Lewis, his C. I. O. with its communistic methods and leaders, assisted by this administration, using the N. L. R. A. and the National Labor Relations Board, on the background prepared by the activities of the Senate Civil Liberties Committee, are making good the prophecy of Wilson's Secretary of State, Bainbridge Colby, when, in 1934, of the President's advisers, he said:

The overthrow of our institutions, including the Constitution, is their avowed goal.

DENIAL OF CIVIL LIBERTIES

In Harlan County, Ky., are coal mines. Twenty-two of the companies operating these mines belong to the Harlan County Coal Operators Association, and for years there was comparatively little labor trouble. Steadfastly they refused to submit to the demands of John L. Lewis that all miners join his United Mine Workers Union.

Remember, now, that John L. Lewis' United Mine Workers is the organization which contributed \$470,000 to the New Deal campaign fund and that it is the organization which loaned the Democratic National Committee \$50,000. Do not forget that other sympathetic organizations contributed other sums, swelling the grand total of the campaign contributions from these labor organizations to \$1,700,000.

With this in mind, consider the attempt of the Senate Civil Liberties Committee, the so-called La Follette committee, to brand Harlan County, Ky., as "bloody Harlan." Recall its strenuous efforts to stigmatize the operators of those mines who had refused to yield to Lewis' demands as greedy, lawless, and the instigators of violence. Do not forget that at the instigation of that committee one of the operators, Ted Creech, was charged by the agents of the La Follette committee with giving false testimony before it; forced him to trial for perjury, where he was acquitted by a jury of his peers.

Keep in mind, if you will, the fact that many of the companies and many of the operators who rejected Lewis' demands were indicted and tried at London, Ky., for a criminal conspiracy; that the jury disagreed; and as they filed out of the courtroom the five jurors who voted for conviction were met and warmly greeted by Government agents, thus indicating that the Government officials who prepared and assisted in the trial of the case had some knowledge of the deliberations of the jury.

Keep in mind, also, the fact that some of the companies operating these mines were charged by the National Labor Relations Board with unfair labor practices, and that one was charged and convicted by the N. L. R. B., and that in at least one instance a heavy money judgment was about to be rendered against it.

UNION CONTRACT SIGNED

Under these circumstances, in September of 1938, the operators signed a contract with the United Mine Workers union. The contract, however, did not provide for a closed shop although it provided for the check-off. The contract expired on the last day of March 1939.

Lewis then demanded the execution of a closed-shop contract, under the terms of which only those miners who joined and remained members of his organization would be permitted to work in the mines of Harlan County.

MINERS LOSE

Under these contracts the miners, in some instances at least, received less than they did prior to the making of the contracts.

Let me give you this illustration taken from the books of one operator, from the statement of miners who worked prior to the date of the contract and who worked after the contract was made.

In this particular mine, when the contract was signed in September of 1938, there were less than 10 union men of the 369 employed. The lowest wage, and that was the wage paid to the old men and the boys—the slate pickers—was \$4 a day. Many of the miners made \$33 a week. Under the union contract, the maximum they could hope to earn was \$20 a week. The tonnage of the mine dropped from 33 to 35 cars a day to 22 to 24 cars a day.

Before the contract was entered into with the union, the miners were paying from \$6 to \$6.50 per month for house rent. The contract was signed. Under its terms, a charge of \$2.25 per room was made, which raised the rent to \$9 for a four-room house, which, prior to the making of the contract, rented for from \$6 to \$6.50.

MINERS' PAY CUT

In this particular mine, working under the union contract, the miners, instead of receiving 65 cents a ton, took a cut to 59 cents a ton. The cutting machine operator was cut from 10 cents a ton to 8 cents a ton on over two-thirds of the mine's operation.

One miner, and I have his name and saw his record on the books, made, in October of 1937, \$306.71; in the corresponding month in 1938, he made \$111.48. In November of 1937, this miner made \$300.57; in November of 1938, he made \$54.04. In December of 1937, he made \$242.37; in December of 1938, he made \$89.92. In January of 1939, he made \$156.16; in February, \$149.72; and in March, \$152; and since April has been on strike, earning nothing.

The books disclose that the miners made less. Now what of the operators?

OPERATORS LOSE

In 1937, the company mined 455,000 tons, and they made 4½ cents per ton on the coal mined. In 1938, they mined but 270,000 tons and they had a net loss of 26.4 cents per ton. This year, up to June 1, they had a net loss of 47 cents on every ton mined, and they now have 145 men working.

LEWIS CAUSES LOSS TO MINERS AND TO OPERATORS

The foregoing is an illustration of what happened to the miners and to the operators in this one mine after Lewis, the wage and hour law, and the social-security law began operating.

In June 1939, not working under a union contract, a 19-year-old boy, a coal loader working 6 days a week, made \$146.40, while his father, a small man, during the same month and loading coal, made \$200.49. Another young man 22 years of age, a coal loader, in June of 1939 made \$151.63.

This mine had been operated without a strike from 1922 until April 1, 1939, and the relations between management and workers had always been good.

MINER WHO IS AN ECONOMIC ROYALIST

I talked with one man who has worked for this company since June of 1920. He is now a tippie man, 56 years of age, married; has raised an adopted son now 25 years old. This miner told me he had never been overworked, never forced to put in any excessive number of hours, and that for most of his work he was paid by the ton. That he had been sick off and on for 3 years; that an operation performed last March cost him \$425. That his wife had been operated on at a cost of \$300. That he never drew relief money of any kind.

That when he began working at the mine he had about \$700. He now has in excess of \$19,000, all of which he has saved from the earnings he has made from working for this coal company. He never at any time has denied his wife or adopted son anything they needed, and never performed any work except manual labor.

MINERS DO NOT WANT TO JOIN U. M. W.

At the time that the so-called La Follette committee was making its charges that these operators were denying the civil liberties of the miners, the union claimed that, if given 60 days, it could and would organize all of the miners in the district. It was given an unrestricted opportunity for more than 60 days to organize the miners in this county. At one time it had as many as 60 organizers in the district. It had 12 additional weeks in which to carry on its organizing activities.

Some of its organizers, or those acting in its behalf, told the miners that if they joined they would get unemployment insurance in 9 days from the time they became unemployed. They told the men that unless they joined the union they would not be eligible for unemployment insurance, and they made many other statements which were not justified by the facts.

LABOR BOARD ATTEMPTS INTIMIDATION

Leonard Shore, a Labor Board representative, on one occasion, in the presence of Charles Ryan, attorney for the Board, told an operator that it was foolish for the Harlan operators to attempt to buck the United States Government; that the Government intended to see that everyone signed with the United Mine Workers and that, if they did not sign, the Labor Board would bankrupt them, and, for good measure, he made the added statement:

We may also put some of you behind penitentiary bars.

This man, Turnblazer, whose speech on Sunday last may well be termed the inciting cause for the attack which on Wednesday last resulted in the death of one man and the serious wounding of four others, from a sound truck in front of one of the mine offices, on June 30, 1939, made the statement in substance that, if the company did not sign up with the U. M. W. A., "Phillips—regional director for the N. L. R. B.—has promised me to take up the Labor Board case just as soon as he returns from his vacation."

COLLUSION BETWEEN UNION HEAD AND REGIONAL DIRECTOR OF LABOR BOARD

Early this last spring the members of the Harlan County Coal Operators Association, with one exception, refused to sign a United Mine Workers' closed-shop contract.

Forthwith, Turnblazer, president of the local union, made a complaint to Phillips, regional director of the National Labor Relations Board, and Phillips forthwith notified the companies that charges had been preferred against them.

The Wagner law does not require an employer to sign a contract with his employees. All that it requires, and the Supreme Court in at least two cases has so held, is that he negotiate in good faith. The Supreme Court of the United States has twice held that a failure of the employer to agree to the terms demanded by the employees or by the union does not render the employer guilty of an unfair labor practice.

Notwithstanding the fact that the Harlan County Coal Operators Association and individual members of that association have negotiated time and again—yes; almost continuously—with representatives of the United Mine Workers; notwithstanding the fact that they have been told that the operators will not sign a closed-shop contract, the operators have, on several occasions, been charged by Turnblazer with refusing to negotiate.

And following that charge, and acting in conjunction, it might be said, with Turnblazer, Phillips, regional director, has on occasion notified the mine operator that he has been charged with an unfair labor practice because he has refused to negotiate, this notwithstanding the fact—known to both Turnblazer and to Phillips and to the members of the Board itself, if it is cognizant of the proceedings of its directors—that such a charge had no foundation; in fact, was false.

NATIONAL LABOR RELATIONS BOARD PRACTICES COERCION

Thus you will see how the National Labor Relations Board has lent itself to the organizing activities and to the contract-making efforts of the United Mine Workers. You see how, working hand in glove with the United Mine Workers' officials, it threatens the mine operator with ruinous, expensive

legal proceedings in order to bludgeon him into signing a contract which the law itself does not require him to sign.

RACKETEERING CONTRACTS

These contracts, as we have seen, are of no advantage to anyone except to the officials of the United Mine Workers. These contracts result in a lessening of the miners' wages. They result in a loss of profits to the operator. But they enable the union, as an organization, to collect for political and other purposes \$1.50 each month from the pay checks of the miners, and to collect such other special assessments as John L. Lewis and his executive board may see fit to levy.

LEWIS' FLYING SQUADRONS

As so often when persuasion and peaceful picketing fail, Lewis called upon his flying squadrons of wreckers, who, answering his call, appeared by the thousand in Harlan County, where, outnumbering the resident miners, they kidnapped the son of a mine owner and operator and held him for hours; threw George Hobbs, when he refused to sign a union application, in the river and then, while he was in the water, threw rocks at him, and as he emerged from the river, again caught him and forced him to sign a union application.

They shot Bob Blevins. They caught a miner named Mills and in the presence of his wife beat him, and, when George Whitfield, Jack Whitfield, and William Whitfield, mine operators, attempted to rescue him from the mob, they beat the three; and the sound truck bravely pealed out to its more than a thousand pickets who were opposed by less than 200 workers, the message, "Get every damned Whitfield off the hill"—this, although the Whitfields owned the mine and the hill.

What investigation, if any, will the Senate Civil Liberties Committee make of this incident? We know the answer. It will follow its former course and pass by all deprivations of civil liberty when instigated and carried out by union men, by strikers, "goon" squads, and flying squadrons.

Lewis got away with his rule of violence, his intimidation and coercion, as administered by his subordinates, Turnblazer from Tennessee, and Titler, both officers of the local, until Governor Chandler called out the troops and this particular period of violence ended.

ADMINISTRATION AND LEWIS UNABLE TO FORCE COMPLIANCE WITH HIS DEMANDS

Notwithstanding the fact that United Mine Workers closed these mines in Harlan County by calling in armed pickets from other States until Governor Chandler, recognizing his duty under the constitution of the State, called out the National Guard to protect the property of the operators and to safeguard the miners in their attempts to work, Lewis was unable to organize the miners of Harlan County, and last week the mines of that district were operating quietly, peacefully, under the protection of the National Guard of Kentucky.

Notwithstanding all of the activities of John L. Lewis, the N. L. R. B., the Senate Civil Liberties Committee, the prosecutions instituted and the trials carried on by the Department of Justice, in June of 1939 the car loadings of coal out of Harlan County exceeded by more than 5,000 cars of 50 tons each the output of June of 1938.

SO LEWIS RESORTS TO FORCE, AND DEATH AND BLOODSHED FOLLOW

The fact that these mines were operating in spite of Lewis' demands; that miners were going to and from their work earning a livelihood for themselves and their families without paying tribute to him was gall and wormwood to John L. Lewis and his subordinates.

On May 15, 1939, at Lenarue, 6 miles south of Harlan, at a union rally, among other things, Turnblazer, who is cognizant of the violence which occurred in April of this year when these mines were closed by pickets, many of whom came armed from other States, said—

No miners will go hungry and, if they are evicted from their homes, the United States Government will give you tents and we will feed you.

G-men are here watching the operators and we have more on them now than ever before.

If they (the operators) want to spend another 6 or 8 weeks at London, that's up to them to decide.

A direct threat by William Turnblazer, head of the local U. M. W. union, to use an agency of the Federal Government—the Department of Justice—in a criminal prosecution if the operators did not yield to his demand for a closed-shop contract.

INTIMIDATION AND COERCION FAIL—THEN CAME VIOLENCE

In spite of all the organizing efforts put forth by the United Mine Workers; in spite of the intimidation practiced by the agents of the National Labor Relations Board; in spite of the threats made by William Turnblazer, head of the local United Mine Workers union, and notwithstanding the bringing into the county of thousands of armed pickets, who by force prevented the residents of Harlan County following their daily tasks, the liberty-loving miners of that county refused to submit to John L. Lewis' demands; refused to join his union; and the operators, although it might have been to their financial advantage—although certainly it would have saved them from prosecution by the National Labor Relations Board and some of them from trial on criminal charges by the Department of Justice, steadfastly refused to sell their men to John L. Lewis—refused to compel them to join a union which they did not want to join.

John L. Lewis was demanding not only that the men join his organization in order to work, but he insisted, and he attempted to make good that demand by force, that the Harlan County Coal Operators' Association and the individuals belonging to it, violate the National Labor Relations Act by compelling their men to join his organization before they could be given work.

Lewis, arbitrary tyrant that he is, causes complaints to be filed against those employers who advise their men that they do not need to join a union; and then, on the other hand, demands that other operators tell their employees they must join his union—a plain violation of the act which in so many instances he has used to enforce his demands.

A GOVERNOR WHO BELIEVES IN CIVIL LIBERTIES

Undoubtedly, John L. Lewis and his United Mine Workers would have closed all the mines in Harlan County by force, had it not been for the action of Governor Chandler. Unlike the Senate Civil Liberties Committee and Attorney General Frank Murphy, who talk so much about guaranteeing civil liberties but who by their acts do much to destroy them, Governor Chandler called out the National Guard so that men who wanted to work, who desired to exercise their civil liberties, might do so.

Frank Murphy, when Governor of Michigan, called out that State's National Guard to prevent men from working. Governor Chandler of Kentucky called out the National Guard so that men might work. Governor Murphy violated his oath of office. Governor Chandler kept his oath of office.

LEWIS BRINGS DEATH AND VIOLENCE TO A PEACEFUL COMMUNITY

On Monday and Tuesday last it was my privilege to visit Harlan County and the city of Harlan; to go from mine to mine; to talk with miners and with operators. It was my first visit to Harlan and I found the people there to be the same as in other average American communities.

A beautiful little city and high in the surrounding mountains, the rich coal veins from which the community derives its livelihood. The people mostly of English ancestry, native Americans; few, if any, foreigners; not many colored folks. Homes clean and comfortable, as were the streets and public places of the city. In short, a typical American community, with no evidence of intolerance or violence or disregard for the law in sight; nothing, in fact, which would distinguish it from any one of a thousand cities in our land, except for the fact that around and about some of the mines were National Guardsmen on duty, and up and down the highways were patrolling trucks, in which rode National Guardsmen.

This was on Monday and Tuesday of this week, but on Sunday last, according to the Harlan Daily Enterprise, William Turnblazer, of Jellico, Tenn., president of District No. 19, United Mine Workers, addressing a union mass meeting, called for the re-forming of picket lines to "curtail production" at nonunion mines, and to "get the strikebreakers

out." Turnblazer declared that such action should be taken "while the lake trade is going on" and as a move to break the deadlock between the union and the Harlan County Coal Operators Association holding out against signing the union closed-shop contract.

The men working in the Harlan mines are residents of Harlan County, most of whom have always worked in the coal mines. That is their only occupation. Under the Constitution of our Federal Government and the Constitution of their State, they have the right to work and they have the right to work without signing a contract prescribed by William Turnblazer or John L. Lewis.

In utter disregard of the rights of these men; denying to them their civil liberties, Turnblazer, of Tennessee, called upon his listeners to get these free-born American citizens, exercising their constitutional right, out of the mines.

Early Wednesday morning, following his demand and his advice, pickets formed around the mine of the Mahan-Ellison Coal Co. and attempted to prevent Harlan County citizens entering the mine to toil at their daily tasks. Among those pickets was Dock Caldwell, 31-year-old miner, a member of the union, who undoubtedly believed, from what Turnblazer said, that he had the right to prevent other men going into the mine to work.

Dock Caldwell undoubtedly was familiar with the demands of John L. Lewis that all must join his organization before they would be permitted to work. Dock Caldwell undoubtedly had heard that the National Labor Relations Board, the New Deal administration, stood back of John L. Lewis.

And so Dock Caldwell, ill-advised, attempted to follow the directions of William Turnblazer; attempted to pull a fellow worker from a car which was taking him into the mine. Dock Caldwell was shot. Dock Caldwell died, and he died because of the un-American, the unlawful, demands made by John L. Lewis.

The responsibility for his death rests not only upon the shoulders of John L. Lewis, of William Turnblazer, who incited him to take part in these unlawful activities, but upon the shoulders of the members of the National Labor Relations Board, who in Harlan County have given the people to understand that, unless they yield to the demands of the United Mine Workers, the operators are guilty of a violation of the National Labor Relations Act.

Here today we have in Harlan County, Ky., a community attempting to carry on in the soft-coal industry, an industry which has been almost ruined by John L. Lewis and his United Mine Workers, by the Guffey Coal Act, by the activities of the National Labor Relations Board.

Here we have a community where the mine owners and operators, under the Wagner Act, the wage-hour law, the social-security law, have suffered almost continuous losses; where the miners, under these laws, have from day to day seen their yearly earnings diminishing; a community where the mine owners and the operators, where the miners themselves, are denied the right to go about their daily tasks.

Here we have a community, the members of which, unwilling to give up the liberties won by their forefathers in bloody battle, are today willing to face and meet not only violence and bloodshed, but death itself, in order to preserve those liberties so dearly won for them.

And here in Washington we have an administration which extends the hand of friendship to John L. Lewis and his communistic allies, who would deny a fundamental constitutional right to American-born men and women.

Here we have an administration lauded, praised by the Communists and the Communist Party, which seek the destruction by force of our form of government, extending aid and comfort to those who are seeking to forge the shackles which deny liberty to the citizens of Harlan.

If we in Congress sit idly by and permit this situation to continue, upon us rests a part of the responsibility if violence, bloodshed, and death follow our failure to extend a helping hand to those patriotic citizens of Harlan who are fighting an uphill battle without Federal aid.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record.

The SPEAKER. Without objection, it is so ordered. There was no objection.

SPECIAL ORDER

The SPEAKER. Under special order of the House, the gentleman from Missouri [Mr. ANDERSON] is entitled to recognition for 15 minutes. The Chair does not see the gentleman from Missouri in the Chamber.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 1882. An act for the relief of Otis M. Culver, Samuel E. Abbey, Joseph Reger, and August H. Krueger.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 18 minutes p. m.), pursuant to the order heretofore made, the House adjourned until Monday, July 17, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

On Saturday, July 15, 1939, Dr. C. E. R. Sherrington, British railroad expert, will testify before the Committee on the Judiciary with respect to the bills H. R. 6369 and S. 1869, to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a railroad reorganization court, and for other purposes. The hearing will be public, and will begin at 10 a. m. in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building at 10 a. m., on the bills and dates listed below:

On Tuesday, July 18, 1939, at 10 a. m., hearings will be held on H. R. 7090, to amend section 4488 of the Revised Statutes of the United States, as amended (U. S. C., 1934 ed., title 46, sec. 481), and H. R. 7091, to amend section 4471 of the Revised Statutes of the United States, as amended (U. S. C., 1934 ed., title 46, 464).

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs on Monday, July 17, 1939, at 10:30 a. m., on House Joint Resolution 207, to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes.

The Foreign Affairs Committee will start hearings on Tuesday, July 18, 1939, at 10 a. m., on proposed legislation dealing with treaty violations, with special reference to the Orient: H. R. 4232 (Mr. VOORHIS of California), H. R. 5432 (Mr. COFFEE of Washington), H. R. 6837 (Mr. EATON of New Jersey), H. R. 7159 (Mr. IZAC), House Joint Resolution 42 (Mr. CRAWFORD), House Joint Resolution 113 (Mr. FISH), House Joint Resolution 254 (Mr. FISH), House Joint Resolution 318 (Mr. WALLGREN).

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Monday, July 17, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 6668.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, July 19, 1939, at 10:30 a. m., for the consideration of H. R. 6443 and H. R. 7066. Public hearing.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

999. A communication from the President of the United States, transmitting a schedule of claims amounting to \$123,944.96, allowed by the General Accounting Office, as covered by certificates of settlement, under appropriations, the balance of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (H. Doc. No. 418); to the Committee on Appropriations and ordered to be printed.

1000. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Labor for the fiscal year 1940 amounting to \$2,000,000 (H. Doc. No. 419); to the Committee on Appropriations and ordered to be printed.

1001. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated July 5, 1939, submitting a report, together with accompanying papers, on reexamination of Charlotte Harbor, Fla., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted May 12, 1938; to the Committee on Rivers and Harbors.

1002. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated July 5, 1939, submitting a report, together with accompanying papers, on a preliminary examination of Allapatchee River (Alligator Creek), Fla., authorized by the River and Harbor Act approved June 20, 1938; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1150. Report on the disposition of records of the United States District Court for the Southern District of California. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1151. Report on the disposition of records in the Department of the Treasury in the custody of the National Archives. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1152. Report on the disposition of records in the Veterans' Administration. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1153. Report on the disposition of records in the Department of the Treasury. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1154. Report on the disposition of records in the Farm Credit Administration. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1155. Report on the disposition of records in the Department of the Interior. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1156. Report on the disposition of records in the Department of State. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1157. Report on the disposition of records in the Department of Labor. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1158. Report on the disposition of records in the Department of Commerce. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1159. Report on the disposition of records in the Department of the Navy. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1160. Report on the dis-

position of records in the Post Office Department, Postal Service. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1161. Report on the disposition of records in the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 1162. Report on the disposition of records in the Department of the Treasury. Ordered to be printed.

Mr. MAGNUSON: Committee on Naval Affairs. H. R. 6045. A bill to authorize the Secretary of the Navy to accept on behalf of the United States certain land in the city of Seattle, King County, Wash., with improvements thereon; with amendment (Rept. No. 1165). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Texas: Committee on Agriculture. H. R. 7171. A bill to amend section 22 of the Agricultural Adjustment Act; with amendment (Rept. No. 1166). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLLINS: Committee of conference. H. R. 5610. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes (Rept. No. 1167). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. KELLER: Committee on the Library. House Concurrent Resolution 32. Concurrent resolution establishing a commission to be known as the Virginia (Merrimac)-Monitor Commission; without amendment (Rept. No. 1168). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee of conference. H. R. 6205. A bill to provide for additional clerk hire in the House of Representatives, and for other purposes (Rept. No. 1170). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN: Committee on Naval Affairs. H. R. 5634. A bill granting 6 months' pay to Sidney M. Bowen; without amendment (Rept. No. 1163). Referred to the Committee of the Whole House.

Mr. MOTT: Committee on Naval Affairs. S. 1901. An act to extend to Sgt. Maj. Leonard E. Browning, United States Marine Corps, the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; without amendment (Rept. No. 1164). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 2370. An act for the relief of Corinne W. Bienvenu (nee Corinne Wells); with amendment (Rept. No. 1169). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 7050. A bill for the relief of certain former disbursing officers for the Civil Works Administration; without amendment (Rept. No. 1171). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 7049. A bill for the relief of John L. Summers, former disbursing clerk, Treasury Department, and for other purposes; without amendment (Rept. No. 1172). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6641. A bill for the relief of the Arkansas State Penitentiary; without amendment (Rept. No. 1173). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on Claims. H. R. 5931. A bill for the relief of Elizabeth Hessman; with amendment (Rept. No. 1174). Referred to the Committee of the Whole House.

Mr. HALL: Committee on Claims. H. R. 5557. A bill for the relief of V. H. Scheuring, Elmer Eggers, and Thomas Fahey; without amendment (Rept. No. 1175). Referred to the Committee of the Whole House.

Mr. GATHINGS: Committee on Claims. H. R. 5348. A bill for the relief of certain postmasters; without amendment (Rept. No. 1176). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 5259. A bill for the relief of Mrs. Laver Taylor; with amendment (Rept. No. 1177). Referred to the Committee of the Whole House.

Mr. THOMAS of New Jersey: Committee on Claims. H. R. 5211. A bill for the relief of D. L. Mason; with amendment (Rept. No. 1178). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 4085. A bill for the relief of certain disbursing agents and employees of the Indian Service; without amendment (Rept. No. 1179). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 2860. A bill for the relief of Ben Willie Jones; with amendment (Rept. No. 1180). Referred to the Committee of the Whole House.

Mr. SASSCER: Committee on Claims. H. R. 2344. A bill for the relief of James McConnachie; with amendment (Rept. No. 1181). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 377. A bill for the relief of Harry Bryan and Alda Duffield Mullins, and others; with amendment (Rept. No. 1182). Referred to the Committee of the Whole House.

Mr. KEEFE: Committee on Claims. S. 2275. An act for the relief of Floyd M. Dunscomb; without amendment (Rept. No. 1183). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 2114. An act for the relief of Virginia Pearson; without amendment (Rept. No. 1184). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on Claims. S. 2082. An act for the relief of Hugh A. Smith; without amendment (Rept. No. 1185). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. S. 1905. An act for the relief of Elizabeth E. Burke; with amendment (Rept. No. 1186). Referred to the Committee of the Whole House.

Mr. GATHINGS: Committee on Claims. S. 1882. An act for the relief of Thomas A. Ross; with amendment (Rept. No. 1187). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. S. 1816. An act for the relief of Montie S. Carlisle; without amendment (Rept. No. 1188). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 1722. An act for the relief of Hannis Hoven; without amendment (Rept. No. 1189). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 1467. An act for the relief of the Standard Oil Co., Inc., in Kentucky; without amendment (Rept. No. 1190). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. S. 1429. An act for the relief of Earl J. Reed and Giles J. Gentry; with amendment (Rept. No. 1191). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. S. 821. An act for the relief of Charles L. Kee; with amendment (Rept. No. 1192). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 765. An act for the relief of Hugh McGuire; without amendment (Rept. No. 1193). Referred to the Committee of the Whole House.

Mr. SASSCER: Committee on Claims. S. 683. An act for the relief of Fae Banas; without amendment (Rept. No. 1194). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DURHAM:

H. R. 7231. A bill to authorize the fiscal agent of the director of the Civilian Conservation Corps to permit certain persons compensated from Civilian Conservation Corps funds to make pay allotments; to the Committee on Labor.

By Mr. LEWIS of Colorado:

H. R. 7232. A bill authorizing an appropriation for the construction and equipment at Denver, Colo., of a technical aeronautics laboratory and other facilities for aeronautical research; to the Committee on Interstate and Foreign Commerce.

By Mr. TOLAN:

H. R. 7233. A bill to amend the act entitled "An act to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes," approved August 27, 1935 (Public, No. 351, 74th Cong.), and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. CARLSON:

H. R. 7234 (by request). A bill to provide a civil government for Puerto Rico; to the Committee on Insular Affairs.

By Mr. CELLER:

H. R. 7235. A bill to prohibit the maintenance of gambling establishments within the admiralty and maritime jurisdiction of the United States, and for other purposes; to the Committee on the Judiciary.

H. R. 7236. A bill to provide for the adjustment of certain claims against the United States and to confer jurisdiction in respect thereto on the Court of Claims and the district courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H. R. 7237. A bill to amend the Revenue Act of 1932 by imposing an excise tax on pork and pork products; to the Committee on Ways and Means.

By Mr. HENNINGS:

H. R. 7238 (by request). A bill creating the General Mexican Claims Commission; to the Committee on Foreign Affairs.

By Mr. MARCANTONIO:

H. R. 7239. A bill to authorize the naturalization of Filipinos who are permanent residents of the United States; to the Committee on Immigration and Naturalization.

By Mr. RABAUT:

H. R. 7240. A bill to exempt certain persons with dependents from the provisions requiring separation from Work Projects Administration rolls at the end of 18 months; to the Committee on Appropriations.

By Mr. BRADLEY of Pennsylvania:

H. R. 7241. A bill to provide additional compensation for flying duty by civilian employees of the Government; to the Committee on Interstate and Foreign Commerce.

By Mr. HORTON:

H. R. 7242. A bill giving preference in the appointment of employees in the taking of the sixteenth decennial census to persons on relief and work relief of the Work Projects Administration; to the Committee on the Census.

By Mr. STARNES of Alabama:

H. R. 7243. A bill making appropriations for public-works projects, and authorizing the carrying out of such projects; to the Committee on Appropriations.

By Mr. ANDERSON of California:

H. J. Res. 361. Joint resolution to provide for an investigation by the Administrator of the Federal Works Agency of the feasibility and desirability of the acquisition by the United States of certain property in Burlingame, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. KRAMER:

H. J. Res. 362. Joint resolution to authorize the admission into the United States of a limited number of German refugee children; to the Committee on Immigration and Naturalization.

By Mr. BURDICK:

H. Res. 259. Resolution providing for the appointment of a special committee to investigate the conditions of the Indians of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOLGER:

H. R. 7244. A bill authorizing Maj. Caleb V. Haynes, United States Army, to accept and wear the decoration tendered him by the Government of Chile; to the Committee on Military Affairs.

By Mr. HENNINGS:

H. R. 7245. A bill for the relief of Henry Gideon Schiller; to the Committee on Immigration and Naturalization.

By Mr. KRAMER:

H. R. 7246. A bill for the relief of Madeline Vera Bucholz; to the Committee on Immigration and Naturalization.

By Mr. MYERS:

H. R. 7247. A bill for the relief of Harry Solomon; to the Committee on Military Affairs.

By Mr. ROUTZOHN:

H. R. 7248. A bill granting a pension to William Lennox; to the Committee on Invalid Pensions.

By Mr. SUTPHIN:

H. R. 7249. A bill to correct the discharge of Kenneth A. Cranmer; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4665. By Mr. GEYER of California: Petition of Joe Williams and 135 others, asking that House bill 5994, the Geyer antilynching bill, or a similar measure, be enacted into law at this session of Congress; to the Committee on the Judiciary.

4666. Also, petition of Herbert Anderson and 121 others, asking that House bill 5994, the Geyer antilynching bill, or a similar measure, be enacted into law this session of Congress; to the Committee on the Judiciary.

4667. Also, petition of Mrs. Crystal Haiden and 89 others, asking that House bill 5994, the Geyer antilynching bill, or a similar measure, be enacted into law this session of Congress; to the Committee on the Judiciary.

4668. Also, petition of Tom Azoon and 48 others, asking that House bill 5994, the Geyer antilynching bill, or a similar measure, be enacted into law this session of Congress; to the Committee on the Judiciary.

4669. Also, petition of Bob Hillyer and 65 others, asking that House bill 5994, the Geyer antilynching bill, or a similar measure, be enacted into law this session of Congress; to the Committee on the Judiciary.

4670. Also, petition of C. H. Stojewa and 75 others, asking that House bill 5994, the Geyer antilynching bill, or a similar measure, be enacted into law this session of Congress; to the Committee on the Judiciary.

4671. By Mr. MICHAEL J. KENNEDY: Petition of the New York Chapter American Society of Landscape Architects of New York City, opposing House bill 6880, pertaining to an easement for the Battery-Brooklyn Bridge; to the Committee on Public Buildings and Grounds.

4672. Also, petition of the United States Independent Telephone Association, expressing approval of House bill 7133, which contains comprehensive exemptions to the Wage-Hour Act; to the Committee on Labor.

4673. Also, petition of the Travelers Protective Association of St. Louis, Mo., protesting against un-American activities by certain organizations, advocating balancing of the National Budget, advocating that this country maintain strict neutrality, and recommending that our immigration laws be made more rigid; to the Committee on Ways and Means.

4674. Also, petition of the Municipal Art Society of New York, opposing House bill 6880, the Cullen bill pertaining to an easement for the Battery-Brooklyn Bridge; to the Committee on Public Buildings and Grounds.

4675. By Mr. KEOGH: Petition of the E. W. Bliss Co., Brooklyn, N. Y., urging consideration of the Smith resolution (H. J. Res. 229); to the Committee on the Judiciary.

4676. Also, petition of George D. Brown, Jr., secretary, New York State Division of Housing, New York City, urging con-

sideration and passage of House bill 2888; to the Committee on Banking and Currency.

4677. Also, petition of Hon. Edward J. Kelly, mayor of Chicago, favoring the passage of House bill 7120, the Steagall bill, and Senate bill 2758, the Barkley bill; to the Committee on Banking and Currency.

4678. Also, petition of United Electrical, Radio, and Machine Workers of America, New York City, concerning the restoration of prevailing trade-union rates for Works Progress Administration; to the Committee on Appropriations.

4679. Also, petition of the United States State Independent Telephone Association, Washington, D. C., concerning the Barden bill (H. R. 7133); to the Committee on Labor.

4680. Also, petition of the American Federation of Labor, Washington, D. C., concerning the Works Progress Administration situation; to the Committee on Appropriations.

4681. By Mr. KRAMER: Petition of residents of California relative to the Works Progress Administration; to the Committee on Appropriations.

4682. By Mr. PFEIFER: Petition of the New York State League of Savings and Loan Associations, New York City, urging consideration and passage of House bill 6971; to the Committee on Banking and Currency.

4683. Also, petition of the United States Independent Telephone Association, Washington, D. C., urging consideration of the Barden bill (H. R. 7133); to the Committee on Labor.

4684. Also, petition of the American Federation of Labor, Washington, D. C., concerning the Works Progress Administration situation; to the Committee on Appropriations.

4685. Also, petition of Edward J. Kelly, mayor of Chicago, Ill., urging consideration and support of House bill 7120 and Senate bill 2759; to the Committee on Roads.

4686. Also, petition of employees of the Northport, N. Y., post office, urging support and passage of House bill 5479 with Senate amendments; to the Committee on the Post Office and Post Roads.

4687. By Mr. WHITE of Idaho: Petition signed by 95 citizens of Caldwell, Idaho, calling upon Congress to do something for the correction of the present economic conditions due to the control by international bankers over credits and thence over wages and prices of farm products and industrial output; to the Committee on Banking and Currency.

4688. By the SPEAKER: Petition of the Walker County Board of Revenue, Jasper, Ala., petitioning consideration of their resolution with reference to Works Progress Administration relief legislation; to the Committee on Appropriations.

4689. Also, petition of the city of Garfield Heights, Cuyahoga County, Ohio, petitioning consideration of their resolution with reference to Works Progress Administration relief legislation; to the Committee on Appropriations.

4690. Also, petition of W. H. Hariman, Waterloo, Iowa, and others, petitioning consideration of their resolution with reference to Works Progress Administration relief legislation; to the Committee on Appropriations.

4691. Also, petition of the District of Columbia Council, United Federal Workers of America, Washington, D. C., petitioning consideration of their resolution with reference to work-relief legislation; to the Committee on Appropriations.

SENATE

MONDAY, JULY 17, 1939

(Legislative day of Monday, July 10, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God of Peace, who hast taught us that in returning and rest we shall be saved, in quietness and confidence shall be our strength: Come Thou and dwell amongst us as Thou wert in the midst of Thy disciples, and with Thy great might succor us; that, standing in Thy presence and Thou in our midst, our labors may be prospered in all godliness and